Daily Report

Central Eurasia

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FBIS-SOV-96-136 *15 July 1996*

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CIS: ITAR-TASS Carries Press Review for 13 Jul

LD1307070596 Moscow ITAR-TASS in English 0521 GMT 13 Jul 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW July 13 (ITAR-TASS) — Newspapers highlight today the latest acts of terror in Moscow. Rossiiskaya Gazeta describes those tragic developments as "an attempt on the life of Moscow." It writes: "No one has seen the terrorists, but two explosions — on Thursday and Friday — very much upset residents of the capital with a population of several million. All security services have been put on high alert. The Moscow Mayor and leaders of the country took the situation under their personal control."

Rossiyskiye Vesti writes that, according to the specified information supplied by the Moscow Health Department, one person died and about 30 were injured as a result of the trolleybus explosion in the Prospekt Mira on Friday. Eight people were brought to various hospitls of Moscow in a grave condition. The investigating group of the Security Department for Moscow and the Moscow Region, as well as the Anti-Terrorism Centre of the Federal Security Service are taking part in the investigation.

"Several minutes after the second explosion Moscow Mayor Yuriy Luzhkov said that, in his opinion, the Chechen trace is clearly visible here," Trud writes. "Several versions are now being analysed, and one of the most probable versions is that, following the publication of the President's decree on the anti-crime struggle, ringleaders of the underworld decided to remove Chechens from Moscow, whom they regard as rivals."

Izvestiya carries a report about the trolleybus explosion on Friday, including comments of representatives of the Caucasian diaspora in Moscow. They are all indignant at the "Chechen connection" version of the latest terrorist acts.

Novaya Gazeta carries an article entitled "A Masseuse Should Not Govern the Country." It comments on the scandal, triggered by the publication in that very newspaper of an article By Aleksandr Minkin, entitled "Favourites." The newspaper believes that it is a shame to invent official public posts specially for a masseuse or a coach, the way it is done in Russia.

Sovetskaya Rossiya observer Konstantin Molchanov analyses in his article the results of the latest presidential elections in Russia. He writes: "After the presidential elections the situation of the popular-patriotic opposition in Russia changed radically. Now it is an established fact that one third of the Russian population support it, which means tremendous strength. What other political party might boast of such results of its work?"

Rossiyskiye Vesti carries a commentary of observer Olga Burkalyova, entitled "New Patriots Are Actually Old Communists." She writes: "It is hardly possible that on the threshold of the 21st century people may be really fascinated by the idea of building communism. Even communist leader Gennadiy Zyuganov said during his electoral campaign that he was not going to build communism ... It is absolutely logical that a new idea is needed for boosting the popularity of the party and attracting new members, an idea shared by as many people as possible. There is such an idea, and it is not at all new: this is love for one's Motherland."

Pravda frontpages an article by Nikolay Kozhanov about the worsening of the situation in Chechnya. In his opinion, "from the very beginning of the Chechen conflict it has been clear to any impartial observer that the objectives of the conflicting parties are absolutely incompatible, that the demand for "complete independence" for Chechnya-Ichkeria is at variance with the notion of Russia's territorial integrity."

Rossiyskaya Gazeta carries an article about Russian cabinets of ministers under the popular heading "Monomakh's Crown." It deals with the people, who headed them. The first Cabinet of Minister (1905-1906) was headed by Sergey Yu. Vitte. The newspaper writes about the performance of Stolypin, Kerenskiy, Kosygin, Ryzhkov and Chernomyrdin.

Rabochaya Tribuna writes about the results of a fruitful and effective visit to Italy of a delegation of the Federation Council, led by Yegor Stroyev.

CIS: Committee Seeks To Resolve Questions About Customs Union

LD1407135196 Moscow INTERFAX in English 1321 GMT 14 Jul 96

[FBIS Transcribed Text] MOSCOW, July 14 (INTERFAX) — The main task this year of the Integration Committee formed by Belarus, Kazakhstan, Kyrgyzstan and Russia is to resolve practical questions related to the formation of the Customs Union, Committee Chairman Nyghmetzhan Yesengharin told Interfax.

He remarked with regret that even though borders between the four countries have become politically transparent, economic dividing lines remain in the form of customs, licences and quotas. For the economy this is much worse than barbed wire and no-man's land, Yesengharin said.

He pointed to the enormous amount of work in this sphere but found it useless forming a separate mixed

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customs body outside the Integration Committee. It would require its own staff, premises and budget, Yesengharin said. "It would be simpler and more efficient to incorporate the heads of customs services of member-countries in the Integration Committee," he said.

As another task facing the committee this year he named guarantees of mutual convertibility of the four currencies.

However, the official admitted that as long as all the countries do not get strong currencies convertible in the world market, it is premature speaking of a common currency.

Baltics: Estonian Defense Minister Views Joint Baltic Military Exercises

WS1507091996 Tallinn BNS in English 1458 GMT 13 Jul 96

[FBIS Transcribed Text] Tallinn, Jui 13, BNS — The international field exercise Baltic Challenge '96 underway at the Latvian training center of Adazi signifies a new level of cooperation among the Baltic states — the drills are for the first time being conducted at the level of companies.

The previous maneuvers held with the participation of troops from NATO member countries on the soil of the Baltic states have at the most involved platoons, Estonian Defense Minister Andrus Oovel told BNS Saturday. He added that the current maneuvers are a major step forward.

"The Baltic states have with these maneuvers advanced to the next level of developing cooperation," the defense minister said.

In his words, cooperation with NATO members requires the level of brigades. "We still have two steps to take to arrive from the level of companies to that of battalions and then to the level of brigades," he said.

Participants in the exercise that started Thursday at Adazi include besides Latvian and Lithuanian companies an Estonian peacekeeping company, a U.S. company of marines and National Guard companies from Michigan, Maryland and Pennsylvania.

"Of course it is very important for us to demonstrate during the drills our real capacity to act jointly and our command system, training and logistic basis prove our ability to act in cooperation," Oovel said. "This is important for ourselves as well as for our partners."

U.S. Ambassador to Latvia Larry C. Napper told BNS the exercise confirmed U.S. support for Estonia, Latvia and Lithuania. Latvian President Guntis Ulmanis said at the opening ceremony that the training proved the ability of Latvian, Lithuanian and Estonian military to cooperate.

"More and more often the common stance of the three Baltic states on security issues serves to testify that Estonia, Lithuania and Latvia move along a common road to become full-fledged members of the European security system," the president said.

The exercise, which takes place in the framework of the NATO Partnership for Peace program, shows the Baltic states' wish to join NATO and align with its military requirements, he noted.

The cost of the maneuvers is estimated at three million U.S. dollars, of which the United States contributed more than one million dollars.

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Russia: Official Says Itinerary of Perry Visit 'Open to Change'

LD1207102296 Moscow INTERFAX in English 1007 GMT 12 Jul 96

[FBIS Transcribed Text] MOSCOW, July 12 (Interfax) — U.S. Defense Secretary William Perry is to arrive in Moscow Sunday as a member of a working group for the Gore-Chernomyrdin commission on economic and technological cooperation, a Russian Defense Ministry official told Interfax Friday.

Perry will meet with top ministry officials on the same day, he said.

The ministry is expected to be represented at the meeting by Gen. Mikhail Kolesnikov, acting defense ministry and head of the General Staff, and First Deputy Defense Minister Andrey Kokoshin.

However, the schedule of Perry's visit is open to change, the official said.

"A new Russian defense minister may be appointed as early as Friday. If so, he will be meeting with Perry," the official said.

Interfax could not obtain confirmation from other sources that a defense minster would be appointed shortly.

Press reports of Kolesnikov's dismissal were not confirmed in the Defense Ministry. "At least today he was in his office," a ministry official told Interfax.

Russia: Gore Visit Agenda, Itinerary Reported

MM1207145996 Moscow IZVESTIYA in Russian 13 Jul 96 p 3

[Report by Vladimir Mikheyev: "From Beyond the Forests and Beyond the Mountains Comes Albert Gore"]

[FBIS Translated Text] Contrary to idle conjecture, Vice President Albert Gore's arrival in Moscow is not a reconnaissance in force to study the "post-battle landscape," in other words a familiarization with Russia's political realities after Boris Yeltsin's election for a second term. The Russian Government is convinced of this and is emphasizing the fact that the only reason for the visit is the planned participation of the number two man in Clinton's administration in the latest —the seventh — session of the bilateral Intergovernmental Commission on Economic and Technological Cooperation cochaired by Prime Minister Viktor Chernomyrdin and Vice President Albert Gore.

"These meetings, which are held every six months in Washington and Moscow alternately, have an exclusively working character, are distinguished by a businesslike measured pace, and have already become routine — in a good sense of the word," Sergey Surov, Russian Federation Government Press Center spokesman, said in an interview for IZVESTIYA.

The agenda of the session, which will be held 15-16 July, includes an exchange of opinions among the experts belonging to the key commissions — on questions of trade and investment cooperation, the power industry and the conversion of the defense industry, and health care and environmental protection. There is going to be a discussion of prospects for collaboration in the sphere of space research, the protection of intellectual property, the fight against commercial crime, the solution of problems of the nonfulfillment of financial obligations, and the improvement of the tax system.

It is no wonder that cooperation between Russia's fuel and energy complex and its U.S. counterpart is already a main theme. Within the framework of this cooperation it is planned to study joint activity in the development of Arctic oil and gas deposits as well as increasing the reliability and safety of nuclear power stations, in particular stepping up the monitoring of the "movement" of radioactive substances. The financial injections approved by the U.S. Congress and intended for the expansion and deepening of the conversion of the Russian defense industry are being adapted to this purpose.

Attention will also be paid to the recent incident, one which, if truth be said, has exhausted itself, concerning the massive export to Russia of transatlantic chicken drumsticks. The sides have reached a compromise: Moscow has decided against a categorical embargo on "Bush's legs," which have now become "Clinton's legs," and in exchange Washington has agreed to take note of our black list of U.S. suppliers who show scant concern for the observance of health norms.

That is why this is going to be less of a clarification of relations in Moscow than a coordination of the provisions of the Memorandum on Technical Cooperation in the sphere of veterinary science as well as the honing of the mechanism for "resolving disputes in the agricultural trade sphere."

The list of subjects for keen discussion during the two-day session alone confirms that the two teams will really have an extremely packed "business routine."

Furthermore, according to Sergey Surov, Al Gore who arrives in Moscow on the evening of 13 July, intends to dedicate Sunday exclusively to an informal meeting with Viktor Chernomyrdin. They will have at least "three hours free time." It cannot be ruled out that Gore will use the opportunity to ask how things are

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progressing with the selection of personnel for the "government of professionals" and who specifically might be in contention for ministerial portfolios.

A charming feature of the visit is the fact that Albert Gore is being accompanied by his children — two of his three daughters and his son who do not need to discover America but who will find it interesting to discover unknown Moscow which their father has visited with an enviable and monotonous regularity in recent years.

Russia: Gore Arrives in Moscow; Met by Chernomyrdin

LD1307175896 Moscow ITAR-TASS in English 1729 GMT 13 Jul 96

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, July 13 (Itar-Tass) - U.S. Vice-President Al Gore arrived in Moscow on Saturday to attend the 7th session of the U.S.-Russian inter-government commission on economic and technological cooperation opening here on Monday.

Meeting journalists at Moscow's Vnukovo-2 international airport upon arrival, Gore said the session will be held against the backdrop of a historic decision made by Russian people in the recent presidential election.

Gore congratulated, on behalf of the American people, the people of Russia on the choice they made in independent democratic elections to ensure a free future for their country.

The U.S. vice-president and Russian Prime Minister Viktor Chernomyrdin, who met him at the airport, expressed the confidence that the 7th session of their joint commission will discuss and adopt new projects of cooperation for the benefit of both countries.

"We have what to discuss and solve," [as received] Chernomyrdin said.

On Chechnya, Gore said he had discussed the issue with U.S. President Bill Clinton before his departure and confirmed that the U.S. Administration favours a resumption of the peace talks started in Moscow and Nazran and a resolution of the Chechen conflict by peaceful methods.

Gore said he will reiterate this position at his upcoming meetings with Russian President Boris Yeltsin and Chernomyrdin.

Russia: Topics of Chernomyrdin-Gore Talks

LD1507085696 Moscow ITAR-TASS World Service in Russian 0807 GMT 15 Jul 96

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 15 Jul (ITAR-TASS) — At government house today, [Viktor Chernomyrdin], head of the Russian Government, and U.S. Vice President Al Gore, cochairmen of the intergovernment Russian-U.S. Commission on Economic and Technological Cooperation, discussed a wide range of bilateral issues and the agenda of the commission's upcoming seventh session.

During an hour-long meeting, Chernomyrdin, Gore, and members of the delegations discussed nonproliferation of fissile materials, conversion of biological weapons, use of nuclear energy for peaceful purposes and cooperation in traditional power engineering, mutual access to each other's markets, and protection of intellectual property.

They also discussed questions of joint space exploration, including the creation of an international orbital station, "Alfa", a number of projects in finance and economy, environmental protection and health care.

These issues will be discussed in more detail in the margins of the regular session of the Russian-U.S. Commission on Economic and Technological Cooperation which will open today.

Russia: Chernomyrdin Hopeful for 'Fruitful' Talks

LD1307200396 Moscow NTV in Russian 1800 GMT 13 Jul 96

[From the "Segodnya" newscast]

[FBIS Translated Text] U.S. Vice President Albert Gore arrived in Moscow this evening. He brought with him a full complement of staff who might be needed at the Gore-Chernomyrdin Commission, as well as his wife and children. Al Gore evidently wants to combine business with pleasure and show his household Moscow in summer.

The main work of the Gore-Chernomyrdin Commission will take place on Monday, although the first meeting will take place tomorrow evening. There is a great deal to be discussed.

Russian-U.S. cooperation is not proceeding as smoothly as Moscow and Washington would like. The White House is not happy about Russia's supplies to Iran, missile cooperation between Moscow and Delhi.

It is expected that at this meeting Albert Gore will try to persuade our leadership to speed up the adoption of

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regulations and rules that will serve to guarantee U.S. investment in Russia's economy.

[Begin Chernomyrdin recording] I am convinced that our work will be fruitful. We have things to discuss. There are things we can make decisions on. And I am convinced that we will move our relations ahead even further. [end recording]

Gore and Chernomyrdin halted in front of journalists only to make a short statement. There was no news conference. When a reporter caught up with the chairman of the commission just as he was leaving and asked him about the U.S. attitude to the Chechen problem, Albert Gore said that the White House had already issued a statement on this a few days ago and the thrust of it was that Washington hoped very much that a ceasefire agreement will be reached in Chechnya soon. He intends to speak to journalists in more detail on this and other topics at the joint news conference on 16 July. [video shows Gore-Chernomyrdin embracing at airplane steps, Mrs. Gore, entourage, Chernomyrdin speaking to microphone, Gore briefly shown speaking to microphone]

Russia: Gore Meets Chernomyrdin; Yeltsin 'Feels Well'

LD1507080796 Moscow INTERFAX in English 0800 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (Interfax) — Russian Prime Minister Viktor Chernomyrdin and U.S. Vice President Al Gore met on Monday to discuss prospects for bilateral relations between their nations.

During the meeting which lasted almost an hour, Chernomyrdin and Gore also focused on issues concerning the seventh session of their joint commission on economic and technological cooperation opening later the same day, sources close to the Russian prime minister said.

The session is expected to end in the second half of the day on Tuesday with the signing of a package of joint documents followed by a joint press conference.

Meeting journalists before the talks with Gore, Chernomyrdin confirmed that President Boris Yeltsin has left on a two-week vacation.

Asked about the president's health, the prime minister noted that Yeltsin "is having his rest and feels well."

Russia: Yeltsin on Vacation, Gore Meeting Cancelled

LD1507055196 Moscow ITAR-TASS World Service in Russian 0533 GMT 15 Jul 96

[By ITAR-TASS correspondent Artem Protasenko]

[FBIS Translated Text] MOSCOW, 15 Jul — As of today President Boris Yeltsin is taking a vacation which will last approximately two weeks. ITAR-TASS was informed of this by the presidential press service. Boris Yeltsin intends to spend his holiday at Barvikha near Moscow.

For this reason today's planned meeting with U.S. Vice President Albert Gore is cancelled.

Russia: Gore To Meet Yeltsin 16 Jul; Health Rumor Denied

LD1507113196 Moscow ITAR-TASS in English 1118 GMT 15 Jul 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW July 15 (Itar-Tass) — The Kremlin resolutely denied rumours that the health of President Boris Yeltsin had deteriorated and that that was the reason for postponing his meeting with US Vice-President Albert Gore and for taking a two-week vacation.

"There are no grounds for the rumours about deteriorating health of Boris Yeltsin", his spokesman Sergey Medvedev told reporters.

He said Yeltsin had been recommended by his campaigners to take a leave right after the victory in the second round of elections on July. "The president categorically turned down the proposal and continued to work, although not that intensively as during the election campaign", Medvedev said adding that "the workload was, nevertheless, considerable".

The spokesman explained that the head of state had to conduct political consultations on the formation of a new government. "Now the major issues have been jointly solved with Viktor Chernomyrdin and it is the most convenient time for vacation", Medvedev said.

He stressed that Yeltsin would combine rest with work in the Barvikha residence outside Moscow and had already met there with his chief of staff Nikolay Yegorov. They discussed the inauguration ceremony to be held on August 9, as well as the streamlining of the presidential administration, according to the spokesman. Minutes later it became known that Yeltsin replaced Yegorov with Anatoliy Chubays.

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The meeting with Gore "is of a working character and the president decided that it would be better to hold it not on the first day of the work of the Gore-Chernomyrdin commission, but on Tuesday", according to Medvedev who added that the postponement would not tell on the plans of Gore in Moscow.

Russia: Chechnya Fighting Casts Cloud Over Gore Moscow Visit

MK1307085696 Moscow NEZAVISIMAYA GAZETA in Russian 13 Jul 96 p 1

[Report by Dmitriy Gornostayev: "Albert Gore Comes to Moscow"]

[FBIS Translated Excerpt] Regular sessions of the Chernomyrdin-Gore Russian-American Commission, at which questions of technological, scientific, and economic cooperation are discussed, have a very definite political basis: They are largely designed to demonstrate the stability of Russian-American relations and to stress their invariably friendly characte. — regardless of statements by the media and diplomats in both countries, which often happen to be sharp.

This time around one can expect that U.S. Vice President Albert Gore's usually calm stay in Moscow might jangle the nerves of the Russian side. This is signaled by two statements made in Washington before Gore left for Russia.

The U.S. State Department's position was announced by its official spokesman, Nicholas Burns. In his words, the resumption of combat operations in the Chechen Republic is the result of a Russian Government decision that entails an escalation of war. Noteworthy is the extremely tough tone of this statement, which is untypical of Washington in the dialogue with Moscow. "A recurrence of a situation where innocent civilians die and are wounded worries us," the American diplomat stated. In his view, the temporary lull in Chechnya during the presidential elections in Russia proves that Moscow had a sensible variant for solving the problem, for which reason the resumption of fighting arouses concern in the United States.

Another, yet more authoritative American diplomat — the architect of the Russian course of the United States' foreign policy, First Deputy Secretary of State Strobe Talbott — stated on Thursday while addressing members of the American-Russian Business Council that the United States would be extremely disappointed should Russia once again gamble on a military solution in Chechnya. "This method would lead to disaster," Talbott said. He also advised that Vice President Gore intends to convey this point of view to the Russian leadership during meetings in Moscow. [passage omitted]

Russia: Lebed, U.S. Ambassador Discuss Political Situation

LD1307133696 Moscow ITAR-TASS in English 1247 GMT 13 Jul 96

[FBIS Transcribed Text] MOSCOW, July 13 (Itar-Tass) — The political situation in Russia after the presidential elections, the activity of the National Security Council and a wide range of questions relating to relations between Russia and the United States were discussed during today's meeting in Moscow between National Security Council Secretary Aleksandr Lebed and Ambassador of the United States in Russian Thomas Pickering.

The press service of the National Security Council said after the meeting that "special attention was given to the upcoming meeting of the Russian-American intergovernmental commission for trade and economic cooperation in Moscow on July 15 and 16."

The press service noted that the meeting took place at a request from the U.S. ambassador.

Both Pickering and Lebed expressed satisfaction with their conversation.

Russia: Significance of Yeltsin Win for U.S., Clinton Weighed

MM1207120896 Moscow TRUD-7 in Russian 12-18 Jul 96 p 2

[Report by Vissarion Sisnev: "U.S. Reaction. The Americans Congratulate the Russians"]

[FBIS Translated Text] Washington — There could be only one reason why the conference hall of the International Press Center was packed: On this occasion State Department spokesman Nicholas Burns's briefing was specially dedicated to the theme of the Russian presidential election.

The fact that the State Department, clearly speaking on behalf of the whole present U.S. Administration, felt it necessary to restate its opinion to the representatives of the world's press after all the other statements that have already been made indicates the significance that is attached to the 3 July event here. N. Burns said that the "Americans congratulate the Russians on the fact that the first truly democratic election in their country was held successfully and without excesses."

He went on to explain just why precisely Washington is satisfied that the election ended this way and not the other: "We believe that the Russian Government led by President Yeltsin and Prime Minister Chernomyrdin will continue to pursue the foreign policy course of recent years: integration with Western institutions and the

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attachment of special significance to relations with the United States. For our part we will try to continue maintaining very good relations with the Russian Federation Government."

After expressing the confidence that Russia will continue along the road of economic reforms, N. Burns stressed: "Had the Communist Party won I believe that we would have faced many difficulties — in common with other Western countries. That would have had a very adverse impact on the possibility of good relations with Russia. The fact that the Russians rejected the Communist Party is good for their country's future."

Like a diplomat (not for nothing is there talk of his appointment as ambassador to Kiev soon), Burns avoided answering a question on how the Russian election result will influence November's elections in the United States. He said that in democratic countries people "vote with their wallet, that is, they are influenced by domestic economic factors." Meanwhile, local commentators are unanimous in the view that Clinton breathed a sigh of relief after Yeltsin's victory because a Yeltsin defeat would have weighed heavily against him in the U.S. election.

Russia: Moscow Seeks Permanent Most Favored Nation Regime With U.S.

LD1507103196 Moscow ITAR-TASS in English 1016 GMT 15 Jul 96

[By Irina Bolshova]

[FBIS Transcribed Text] MOSCOW July 15 (Itar-Tass) — Russia wants to get a permanent most favoured nation regime in trade with the United States and insists that remaining trade limitations against it be lifted, according to Foreign economic relations minister Oleg Davydov.

"It is necessary to finally solve the issue of granting Russia the most favoured nation regime in trade with the USA on a permanent, not temporary basis. In contrast to an overwhelming majority of countries, including post-communist ones, Russia is still subject to the Jackson-Vanik amendment to the trade law of 1974 which demands an annual prolongation of the most favoured nation regime", Davydov told Tass on Monday.

He said Moscow also wants that the remaining discriminative US limitations in trade with Russia be lifted. This mostly concerns the access of Russian goods to the US market. "This issue has become especially acute for Russia of late", Davydov said.

Another problem is that 60 per cent of nearly 1,000 Russian-US joint ventures are engaged in trade and services, while Moscow wants US investments go into the restructuring of the national economy, promotion of high technologies and export-oriented productions, according to Davydov.

Another major problem is that Russia is still viewed as a country with a "non-market economy". "The preservation of that status leads to the fact that anti-dumping procedures towards Russian exporters are much tougher than for an overwhelming majority of other states", the minister said.

The United States has not yet voiced a clear position regarding the lifting of barriers for Russian shipments for the needs of the federal and local administrations.

"All these problems impede the development of trade and economic cooperation between Russia and the United States on a long-term and stable basis", Davydov said.

Russia: No U.S. Credit for Russian Timber Industry Until Fall

LD1507102896 Moscow INTERFAX in English 1008 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (Interfax) — Loan agreements for the modernization of the Russian timber industry will not be signed during the seventh session of the U.S.-Russian joint commission on economic and technological cooperation as was previously planned, according to an official.

The official said the implementation of the first pilot forestry projects may be expected not earlier than this fall as the Russian side has not yet completed the necessary preparations under a memorandum of understanding signed by the Russian Timber Ministry and the U.S. Ex-Im Bank.

Under the memorandum, the U.S. partner will provide financial guarantees for Western businesses wishing to invest in the Russian forestry.

The first credit line to be opened in 1996 is valued at $1 billion. However, Russian timber producers hope to attract $4-4.5 billion in investment to buy U.S. machinery and equipment against future currency revenues from timber and lumber sales.

Russia: Moscow Said To Have Paid Off Arrears Owed to UN

MM1507083996 Moscow IZVESTIYA in Russian 13 Jul 96 p 3

[Report by Gennadiy Charodeyev: "Was Our Miners' Pay Given to United Nations?"]

[FBIS Translated Text] Currently only 78 out of 185 countries have paid their dues to the United Nations in

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full. By the year's end that number will be supplemented by Russia. At least, that is shown by the calculations of Russian Foreign Ministry experts submitted to Sergey Lavrov, our UN representative.

The largest debtor to the United Nations is the United States. Of the $2.3 billion owing to the budget the Americans account for $1.2 billion. The most serious threat hangs over the UN Industrial Development Organization and UNESCO, and there are insufficient funds to pay for the Security Council's activities, the Trusteeship Council, the International Court, and the Secretariat. Dozens of humanitarian projects are under threat.

Last spring, as it had promised Butrus-Ghali, Moscow paid off its debts, stumping up a contribution of more than $45 million for 1996.

There are still some problems with the funding of UN peacekeeping operations in various trouble spots around the world. But even there Russia has shown itself to be one of the most serious donor countries — UN accounts have received $77.7 million from Moscow. Unlike the United States, it has fully paid its share of the budget of the UN missions in Bosnia-Herzegovina, Georgia, Macedonia, Tajikistan, and a number of African states.

Russia: Russian MP's Call On West To Consider Chechnya Recognition

LD1207153496 Moscow INTERFAX in English 1457 GMT 12 Jul 96

[FBIS Transcribed Text] MOSCOW, July 12 (Interfax) — Nine deputies of the Russian State Duma issued an address to Western democracies Friday, calling on their leaders and parliaments to consider Chechnya's recognition as an independent state.

The document features the signatures of independent deputies Konstantin Borovoy and Arkadiy Yankovskiy, Vladimir Semago of the Communist Party of Russia (KPRF), Aleksandr Mazur, Petr Shelisch and Yuliy Nesterov of Yabloko, Viktor Kurochkin, Valentin Tsoy and Bair Zhamsuyev of the deputies' group Russian Regions.

According to the deputies, Chechnya's recognition is "the only way to stop the war" there, while "the internationalization of this issue will undoubtedly involve international democratic institutions in its resolution."

"The pledges to stop military operations and solve the conflict exclusively by peaceful means that Russian President Boris Yeltsin made during his re-election campaign have not been fulfilled," the deputies said in their address. They also stated the conflict could not be solved by force.

Russia: Foreign Ministry Statement Issued on Cuban Emigre Group

LD1207221696 Moscow ITAR-TASS World Service in Russian 1514 GMT 12 Jul 96

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Translated Text] Moscow, 12 Jul — In Russia people view with concern the intention of the Cuban "Democratic Movement" emigre organization, based in Miami (USA), to send a so-called "flotilla" of private vessels and motor-launches toward the territorial waters of the Republic of Cuba, possibly with an escort of aircraft, on 13 July, in spite of the warnings of the U.S. authorities. This was stated in a statement that ITAR-TASS received from the Ministry of Foreign Affairs.

"In our view, this action," the document states, "could complicate the far from simple situation that has been taking shape in the region since the beginning of the year since the well-known incident that occurred in the air off the shores of Cuba."

"We appeal to the U.S. Administration to take the necessary measures to prevent this action."

In any case, the report from the Russian Federation Foreign Ministry stresses, both sides should display maximum restraint and a balanced approach so that the "irresponsible action of the above-mentioned emigre organization should not lead to tragic consequences."

Russia: Moscow Plans 'New Steps' in Middle East Peace Process

LD1507104496 Moscow INTERFAX in English 1032 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (Interfax) — As a co-sponsor of the Middle East peace process, Moscow plans to take "a number of new steps and measures" on this track, following presidential elections in Russia, a high-ranking official said.

Deputy Foreign Minister Viktor Posuvalyuk told Interfax on Monday that Moscow considers Egypt as one of the key players in the Middle East peace process.

"Egypt plays a very important stabilizing role in the region," Posuvalyuk said ahead of the upcoming official visit to Russia by Egyptian Foreign Minister 'Amr Musa due to arrive at 7:00 p.m. Monday.

He stressed that the upcoming meetings and talks will focus first of all on the Middle East peace process.

Posuvalyuk expressed satisfaction with the fact that Arab countries, "largely owing to Egypt, have confirmed their commitment to the principle of land for peace."

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Asked whether Egypt may have any claims on Russia as a co-sponsor of the Middle East peace process, Posuvalyuk said "any claims are unlikely. But they may express a wish that (Russia) become more active."

In this regard, he noted that "following the appointment of Yevgeniy Primakov foreign minister, Russia has begun to sharply step up its activity in the region."

"We believe it important to ensure that there are no pauses in the settlement process. If they occur, they should be immediately filled in with contact and talks. The idea here is to not allow radical forces on both sides to take advantage of these pauses," he explained.

Apart from the Middle East, the parties will discuss a number of international issues, including the work of the United Nations Organization, sanctions against Libya, Iran and the situation in trouble spots in Africa.

"Moscow and Cairo have no serious rifts either over bilateral or multilateral issues, including the Middle East peace process," Posuvalyuk said.

Russia: Moscow Unlikely To Show 'Excessive Zeal' in Catching Serbs

MM1207150496 Moscow IZVESTIYA in Russian 13 Jul 96 p 3

[Report by Maksim Yusin: "International Tribunal Begins Hunt for Bosnian Serb Leaders. Moscow Not Ecstatic About This"]

[FBIS Translated Text] The International Tribunal for the Former Yugoslavia sitting in The Hague has drawn a line under the case against Radovan Karadzic, leader of the Bosnian Serbs, and General Ratko Mladic, commander of their armies. Both have been found guilty of committing war crimes. The tribunal, which found all 36 charges proved, has decided to issue international arrest warrants for them.

The warrants will be sent to all the world's countries, and if Karadzic or Mladic leave Serb-controlled territory each UN member-state's government is obliged to take them into custody and hand them over to The Hague Tribunal.

Formally this demand also applies to Russia. However, it could be ascertained from what a high-ranking Foreign Ministry staffer said that Moscow will scarcely show excessive zeal in catching the Serb leaders. Russian peacekeeping forces in Bosnia will almost certainly not be involved in the hunt for them.

The issue of the arrest warrants for Karadzic and Mladic has caused deep dissatisfaction in Smolensk Square [location of Russian Foreign Ministry]. "Radovan Karadzic has practically retired from affairs of state, having handed over his powers to Biljana Plavsic. The Serbs have thus met the tribunal's demand," a Russian Foreign Ministry spokesman observed in a conversation with IZVESTIYA. "The hypertrophic attention to the so-called problem of Karadzic and Mladic could lead to excessive nervousness and exacerbate the situation in Bosnia. The International Tribunal, which was set up under a UN Security Council decision, must be an organ of justice and not perform political-ideological functions. It must not be divorced from real life. The arrest of Karadzic or Mladic could lead to an explosion of such force that the entire peace process could be derailed."

Despite its dissenting position Russia does not, however, want its relations with the West to be complicated by the "Karadzic problem." This could happen if the Serb leader, as has repeatedly happened in the past, were to accept an invitation from Russian "patriots" and fly to Moscow for his latest literary prize. Such a visit, the Foreign Ministry acknowledges, would be extremely undesirable at the moment.

Russia: Finnish President Praises Relations With Russia

LD1507090696 Moscow ITAR-TASS in English 0833 GMT 15 Jul 96

[By Gennadiy Kulbitskiy]

[FBIS Transcribed Text] BONN, July 15 (Itar-Tass) — "Relations between Finland and Russia have never been better than now," President Martti Ahtisaari of the Republic of Finland, emphasised in an interview published in the newspaper Die Welt on Monday. To corroborate this, the Finnish Head of State cited the fact that 3,000 firms maintain contacts with the eastern neighbour now, as against only 250 ones during the Cold-War era.

The Finnish president devoted much attention to the results of Russia's presidential elections in the belief that the chief result is that "extremist forces at both political poles have lost their former weight." Important is also the fact that Boris Yeltsin has instructed Premier Viktor Chernomyrdin to form a new government. This is a highly positive sign, Ahtisaari said.

Of special importance is the fact that 67 per cent of the electorate went to the polls, which was more than in some Western countries, where voter turnout happens to be lower than that, the Finnish president observed.

"The following conclusion can been drawn: those were peaceful elections. The citizens of Russia unambiguously declared against the old system and Boris Yeltsin scored a victory," Ahtisaari said.

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Speaking about the NATO eastward expansion issue, the Finnish Head of State pointed out that, "in the opinion of the majority of Finnish citizens, the country's entry into NATO would not strengthen either Finland's own security or European one." Moreover, Ahtisaari believes, that would hinder the development of mutualy beneficial relations with Russia.

Russia: Federation Council Speaker Satisfied With Visit to Italy

LD1307100096 Moscow ITAR-TASS in English 0935 GMT 13 Jul 96

[By Lyudmila Yermakova, Aleksey Bukalov]

[FBIS Transcribed Text] ROME, July 13 (Itar-Tass) — "We are leaving Italy with the feelings of satisfaction with the work we have done here and gratitude to our hospitable hosts," Russian Federation Council (upper house of the parliament) speaker Yegor Stroyev told Itar-Tass commenting on the visit to Italy by a Russian Federation Council delegation which ends on Saturday.

Stroyev described his meetings with Italian lawmakers and regional administration heads as "open and sincere."

The Federation Council delegation was the first to visit Italy after the Russian presidential elections, Stroyev said.

According to him, all representatives of the Italian side expressed confidence that the Russian presidential election results would promote the development of democratic institutions and help establish new forms of market relations in Russia.

One of the major problems discussed during the visit was fighting organized crime, corruption and terrorism, Stroyev said. He highly estimated Italy's experience in fighting corruption, paying special attention to the "Clean Hands" wide-scale operation.

Stroyev said that members of the Italian perliament expressed readiness to hepl their Russian counterparts in practical issues to resolve these problems. The Federation Council Committee for Security and Defence will coordinate this work from the Russian side.

The Russian parliament speaker noted that Italian President Oscar Luigi Scalfaro's invitation to President Yeltsin to visit Italy, which was handed over to him during the visit, was the first act of this kind after Yeltsin's re-election as the Russian President for the second term.

"Italy has understood, better than others, the processes currently going on in Russia and outstripped other countries in the development of mutually beneficial economic relations with us," Stroyev said.

He highly appreciated his talks with the leadership of the Confederation of Italian Idustrialists, representatives of the business circles. "It is not a diplomacy game but a sincere wish to establish and broaden durable and strong ties with our country. We saw it for ourselves especially during our visit to Emilia-Romagna," he said.

In his opinion, of special importance was the exchange of views on the problems of federalism and the relations between the centre and regions which was organized in Bologna and Venice.

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Political Issues

Russia: Yeltsin Addresses Election Campaigners

LD1207134296 Moscow Russian Television Network in Russian 1000 GMT 12 Jul 96

[Report by T. Aldoshina; from the "Vesti" newscast]

[FBIS Translated Text] Today, for the first time since his victory in the presidential elections, Boris Yeltsin had a meeting with his electoral campaigners. [video shows a packed auditorium].

There are 200 campaigners, and they all represented the Russian president on a voluntary basis. Boris Yeltsin acknowledged that their participation in the presidential campaign was essential to him. All of the 200 people sitting in the hall will received an inscribed presidential watch [chasy] as a token of gratitude for their support. I am, above all, personally grateful for what you have done for Russia: That is what Boris Yeltsin said to his campaigners. [video shows Yeltsin walking on stage and clapping with the audience; he takes his place beside Sergey Filatov, Viktor Ilyushin, and an unidentified woman]

[Begin Yeltsin recording] I worried, I worried a great deal about whether I should contest the elections, whether I should stand, as it were, or not. I worried a great deal. However, when the elections to the State Duma were over and I saw how it was constituted — when I saw that a very grave future was looming for Russia and there might be a disaster — I decided finally and irrevocably that I would do my utmost to secure victory. [end recording]

Today Boris Yeltsin said for the first time that the country needed a new ideology to replace the one that had existed for 70 years.

[Begin Yeltsin recording] We shall evidently need to have two or three parties and have our own ideology. [end recording]

Boris Yeltsin thinks that his campaigners will help him formulate such an ideology. Many of them are well known throughout Russia.

[Begin Yeltsin recording] Maybe such a national idea will be needed at the elections in the year 2000. [end recording]

Yeltsin said today that he fully acknowledged all his mistakes, he valued people's trust, and said that it was criminal and wrong to make a mistake twice. [video shows Moscow Mayor Yuriy Luzhkov in the auditorium].

Russia: Yeltsin on Vacation 'To Recover His Strength'

LD1507112196 Moscow INTERFAX in English 1111 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (Interfax) — Russian President Boris Yeltsin has gone on vacation to recover his strength, presidential press secretary Sergey Medvedev told a briefing in the Kremlin Monday.

"If any medical procedures are necessary, doctors will make them," he said.

According to Medvedev, Yeltsin has not undergone medical examination since the latest hospitalization, so the doctors will try to make use of his vacation to carry out a medical examination.

Russia: Yeltsin To Continue Working From Sanatorium

LD1507065896 Moscow ITAR-TASS World Service in Russian 0645 GMT 15 Jul 96

[FBIS Translated Text] MOSCOW, 15 Jul (Itar-Tass) — During his vacation, which began today and which will last approximately two weeks, the Russian president, Boris Yeltsin, will continue work on the formation of the new government. ITAR-TASS was informed of this by Sergey Medvedev, press secretary to the head of state. The president will also be working with documents.

Despite his leave, the president may also have business meetings. Thus, according to Sergey Medvedev, today's planned meeting between Boris Yeltsin and US Vice President Albert Gore will now take place on Tuesday at Barvikha, where the head of state is taking his holiday.

Russia: Medvedev Says Yeltsin Has 'Slight Hoarseness'

LD1507120496 Moscow INTERFAX in English 1155 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (Interfax) — Russian President Boris Yeltsin decided to spend his vacation not at the Black Sea resort of Sochi but in Barvikha, a retreat in the Moscow region, in order to be near Moscow while consultations on government formation are still under way, presidential press secretary Sergey Medvedev told a briefing in the Kremlin.

He said the main goal of the vacation is for Yeltsin to recover his strength. If any medical procedures are necessary, doctors will make them, said Medvedev. He said the president has not undergone medical examination since the latest hospitalization and in the week preceeding the second round of the presidential elections

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Yeltsin did not even have time to let doctors check his pressure regularly.

Medvedev recalled that Yeltsin had caught a cold while visiting Kaliningrad. "Slight hoarseness still remains in his voice," he said. However, he categorically denied that Yeltsin has gone on vacation in connection with health problems.

According to the Kremlin spokesman, Yeltsin will continue working on documents and meeting with Nikolay Yegorov, head of the inauguration commission. Yeltsin attaches much importance to the organization of the inauguration ceremony because it is "absolutely new for Russia," said Medvedev.

He upheld the proposed regular publication of medical bulletins on the president's health but said Yeltsin has the last word on the issue.

In addition to working on documents and meetings, Yeltsin will take walks, swim, possibly play tennis and probably hunt in Moscow region forests, said Medvedev.

Russia: Yeltsin, Administration Head Yegorov Discuss Presidential Staff

LD1507111596 Moscow INTERFAX in English 1105 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (Interfax) — Russian President Boris Yeltsin Monday met with Head of Presidential Administration Nikolay Yegorov in the Barvikha sanatorium outside Moscow, where Yeltsin is spending his short leave.

The president's press service announced that the two officials had discussed the inauguration ceremony, scheduled for August 9. Yegorov chairs the commission for the inauguration of the president.

Also, ways of improving the organization and perfecting the work of the presidential staff were discussed.

Russia: State of Yeltsin's Health Continues To Cause Concern

MK1307105096 Moscow MOSKOVSKAYA PRAVDA in Russian 13 Jul 96 p 7

[Unattributed report: "What Is Known About President Yeltsin's State of Health?"]

[FBIS Translated Text] Scoring a victory in the elections, President Yeltsin presented a convincing testimony to the state of his political health. But now the world around him is worried over the state of his physical health. Heart problems are on record as having put Boris Yeltsin in a sickbed twice last year. Is he healthy enough to rule Russia for another five years?

Boris Yeltsin's health has always been a topic of newspaper publications, rumor, and even scandal. During the five years of his presidency one can think of more than one instance when he became sick, behaved in a very strange way, or totally vanished from sight.

Boris Yeltsin's heart let him down twice last year, but the Kremlin went all out to conceal the details of his condition, and this naturally spawned many rumors in Russia and abroad about the president's condition being in reality worse than reported.

It was officially announced that Boris Yeltsin suffers from stenocardia [angina pectoris, constriction of the heart] or more accurately, ischemic heart disease. However, it is known almost for certain that no angiography (kontrastnyy snimok sosudov serdtsa) [Roentgenography of the heart's blood vessels after a radiopaque substance has been injected] was not done on him. Nor did they do a cardioaortic bypass [aortokoronarnoye shuntirovaniye] on him, surgery that is advisable in cases of a serious pathology of the heart vessels.

Why was he not treated more actively if he suffered from what was officially stated? Does this mean that the president declined the assistance offered by doctors? Why did he do that — was it for political considerations, fearing his image would suffer, or were there some other reasons?

Does he experience pains from his back injury received in 1990 and operated on in 1993? Does he take painkillers that have a sedative effect? Precisely which preparations does he take?

These questions can be answered accurately only by Boris Yeltsin himself or his doctors. But it is they who remain silent.

In the absence of direct answers to direct questions, discussions of the president's state of health may only have a speculative character. Nevertheless, one can try to describe his condition proceeding from some press reports and the president's own memoirs, watching his appearance, and considering the views of experts.

Boris Yeltsin was put in the hospital in November 1989 soon after it was decided to remove him from the post of first secretary of the Moscow City CPSU Committee. In his autobiography "Confession on a Given Theme," he thus describes his symptoms: "strong attacks of headache and heartache," and he adds "a breakdown took place [proizoshel sryv].

Soon after Boris Yeltsin was put in the hospital, Mikhail Gorbachev summoned him out of his sickbed to appear before him. Boris Yeltsin was under the influence of sedatives and he describes in his book with bitterness:

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"My head was spinning, my legs were giving way. I almost could not speak, my tongue did not obey me."

Last 11 July, he was removed to the Central Clinical Hospital with a pain in the abdominal area connected with a heart condition. Two key words figured in the official reports: "ischemia" and "angina pectoris."

A long or serious case of ischemia may result in the death of the heart muscle. This is what is called a myocardial infarction [infarkt miokarda].

Several days after the president was hospitalized in June, an official medical conclusion appeared, from which it followed that the president suffered "a small-focus myocardial infarction [melko-ochagovyy infarkt miocarda]," that is to say, an infarction which does not break the walls of the heart. This variant results in less harm to one's health and the patient's electrocardiogram is quite normal. His press secretary announced that the president's electrocardiogram is essentially normal.

At that time Boris Yeltsin spent two weeks in the hospital and two more weeks in a sanatorium. On 28 October of last year he was hospitalized, once again with a pain in the abdominal area. But everything was much more serious that time.

The official diagnosis was the same — "an acute ischemic condition." It was reported that the president's electrocardiogram was not much different from the previous one. This must mean that Boris Yeltsin did not suffer a myocardial infarction.

But some specialists in Moscow believe Boris Yeltsin must have suffered a stroke after all.

According to some information, the treatment of the president stresses nonpharmacological agents [nefarmokologicheskiye sredstva] — Boris Yeltsin is on a salt-free diet. His press secretary has said that the president lost several kilos of weight.

Many say that Boris Yeltsin simply does not want any surgery and thinks that, from both the purely human point of view and from political considerations, this would stress his weakness.

Rumors of his weakness for alcohol have haunted Boris Yeltsin ever since the start of his political career. But specialists believe that, because of the injury he sustained in 1990, he is forced, perhaps, to periodically take painkillers and muscle relaxants. Both these types of preparations create the impression that the man stays on his feet with difficulty.

You will learn more details on how Boris Yeltsin feels, why the world is worried at how his relations with Aleksandr Lebed will shape up, and what the Security Council is really supposed to do from Leonid Mlechin's "De Facto" television program on RTR at 1420, Saturday, 13 July.

Russia: Commentary Views Yeltsin's Changing Habits

LD1407182596 Moscow Russian Public Television First Channel Network in Russian 1600 GMT 14 Jul 96

[From the "Novosti" newscast]

[FBIS Translated Excerpt] The tension that has emerged in the highest reaches of power after the elections, when several key posts became vacant simultaneously, seems to have left in the background the tension provoked in Moscow by the terrorist attacks. There are effectively no formal obstacles for these posts to remain vacant for some time to come, although it is hard to believe that this situation will indeed last. Here is our commentator Aleksandr Litvinov with some of his reflections on the subject:

[Litvinov] The greatest interest is in the candidates for the posts of deputy prime ministers, defense minister, and the head of the president's administration. The events of the last few days show that some of deputy prime ministerial seats will be taken by people from the president's closest circles. [passage omitted: rumors about Viktor Ilyushin's possible appointment to the post of deputy prime minister. Livshits rumored to fill the post of deputy prime minister in charge of economy; report on row between various generals and its effect on appointment of defense minister]

As for the president's administration, it seems people have underestimated the reports about the fact that the post of the head of Yeltsin's administration is to be merged with the post of the president's first aide. Yet, this clearly shows that Boris Yeltsin has abandoned his favorite habit of surrounding himself with a multiplicity of entourages, everyone of each bore responsibility for a certain range of duties, while constantly fighting for increasing that range. Experts believe that the new approach is an achievement of the preelection era, when the president was able to abandon the style of leadership practiced in regional communist party branches, having entrusted his election campaign to a group of professionals. It seems this approach will now prevail: The selection of people to work in the president's entourage will no longer be based on the degree of personal loyalty, but on the degree of their professionalism. [passage omitted: informed experts believe these vacancies will be filled in the immediate future]

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Russia: Yeltsin Cited on Need for Tough Action Against Terrorists

LD1207124296 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 12 Jul 96

[Report over video by correspondents Igor Demin and Yefim Yakovlev; from the "Novosti" newscast]

[FBIS Translated Text] The fight against terrorism has been placed under the Russian president's special control. Boris Yeltsin stated this today at an expanded session of the Federal Security Service collegium. Presenting Nikolay Kovalev, the service's new director, the head of state stressed that the fight against terrorism is now the most important task of the security bodies. [video shows Yeltsin entering hall, addressing participants, Lebed present, and session in progress; Yeltsin speaks slowly and without vigor, his face looks puffy]

The Russian president defined the essence of the Federal Security Service's work as safeguarding the individual, society, and the state:

[Begin Yeltsin recording] The primary task is to fight terrorism both throughout Russia and in Moscow. The situation has become alarming here. We did not manage to prevent the particularly dangerous act connected with the explosion at the Moscow metro. Yesterday there was an explosion in a trolleybus on Pushkin Square and today [there was another] on Peace Avenue in Moscow. This indicates that Moscow has not been cleared up, not cleared up. No matter how much we have talked about it, it [Moscow] is littered with terrorists, and together with the Mayor's Office it is necessary to take tough measures that would rule out such incidents in the future. [end recording]

Boris Yeltsin pointed out the importance of reinforcing the professional core of the security bodies and noted that the entire career of the new director of the Federal Security Service occurred within these walls.

Incidentally, the president stressed that the majority of the population supported democratic transformations at the elections, and this puts special responsibility on the leadership of the country.

[Begin Yeltsin recording] For the time being I will refrain from drawing conclusions, but remember that the antiterrorist area will be under my special control, and a decree has already been signed to this effect. [end recording]

Russia: Luzhkov Holds News Conference on Moscow Bus Explosion

LD1207122896 Moscow Russian Television Network in Russian 1000 GMT 12 Jul 96

[D. Pugacheva video report; from the "Vesti" newscast—recorded]

[FBIS Translated Text] [Pugacheva] Fifteen minutes after the explosion, Moscow's Mayor Yuriy Luzhkov was at the scene of the incident. He called the brutal crime an act of vandalism that aims to spread fear, chaos, and distrust of the authorities, who might seem unable to ensure citizens' security; or it was, in Luzhkov's view, the savage revenge of some political force that was settling accounts with the bodies of state power. Unable to reach the leaders, it was taking it out on innocent people.

Later, at a news conference in the mayor's office, Yuriy Luzhkov announced that in this difficult situation, the city's government does not intend to introduce a state of emergency, but emergency measures to ensure public safety will be adopted:

[Luzhkov] These measures will be connected with a massive Moscow-wide clean-up, the removal of drifters and casual workers, and the isolation of that contingent that seems to us to be a danger to society, a danger to Muscovites. [video shows Luzhkov addressing news conference]

[Pugacheva] The head of the city urged the capital's residents and visitors to be particularly vigilant and to report any unattended objects seen in vehicles or in the street to the police. Policing had been stepped up, using the whole of the Moscow garrison, since yesterday. Officers were on duty round-the-clock.

Grigoriy Rozhkov, acting head of the Moscow GUVD [Main Internal Affairs Directorate], said that a plan for urgent measures to forestall such crimes was approved by the Main Directorate and is coming into effect today. Such emergency powers were given to the Moscow authorities by the president's recent decree on stepping up the fight against crime. Moscow intends to make full use of these powers. Incidentally, it is possibly this decree that has given rise to a hardening of gangsters' attitudes:

[Luzhkov] I think there are two sources of intensification of such situations. There is the Chechen connection. It can be seen—it can be seen. What I am saying is not idle talk. It is a possible reaction—less likely, but we still do not rule it out—a reaction to the draft decree that was being prepared, as was known, and to the decree that has been signed by the president on stepping

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up the fight against crime. [video shows the explosion scene on Moscow's Prospekt Mira; wrecked trolleybus; police; onlookers].

Russia: Luzhkov Offers 'Immense Reward' for Bombers' Names

LD1307160696 Moscow NTV in Russian 1500 GMT 13 Jul 96

[From the "Segodnya" newscast]

[FBIS Translated Text] Things were calm in Moscow today. Mayor Yuriy Luzhkov was able to deal with the municipal economy. He spent the morning in a helicopter then visited construction sites in downtown Moscow.

Incidentally, Yuriy Luzhkov did not forget for one moment the dramatic events of the past few days. Over 24 hours have passed since the second explosion but there is no new information. In this situation, the mayor is proposing not only an investigation operation, but also an operation to help citizens.

[Begin Luzhkov recording] We will give an immense reward to whomever points out the criminals to us — an immense reward. It will most likely be announced on Monday [15 July] and we will try by this means, too, to find those who — or the man who — for it is the same hand that has committed such wild, terrorist, simply barbaric acts. [end recording]

Yuriy Luzhkov guaranteed complete anonymity for whomever leads the authorities onto the trail of the criminal. He called upon Muscovites not to fear terror but to remain vigilant. In the mayor's opinion, the time has come to tackle in a real way organized crime in the capital. The main strike is aimed against criminal drifters of all hues. The Moscow authorities intend to declare a merciless war against them.

[Begin Luzhkov recording] We are getting ready and will hammer all these points and all these systems, as warranted. We have received the president's edict and on its basis we will now carry out a substantial and mighty clearance of the town. [end recording]

Luzhkov said that the government of the capital will cooperate actively with the Ministry of Internal Affairs and the special services and this will undoubtedly bear fruit.

Russia: Officials Confirm No Fatalities in Trolleybus Explosion

LD1207145596 Moscow ITAR-TASS World Service in Russian 1325 GMT 12 Jul 96

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 12 Jul (Itar-Tass) — No one was killed in today's explosion in a trolleybus on Mir Prospect, according to information available at 1700, ITAR-TASS has learned from the press center of the Moscow mayor's office. This was also confirmed by Igor Nadezhdin, official spokesman of the Moscow Health Department. Referring to Prime Minister Viktor Chernomyrdin's statement that one person was killed in the terrorist act, Nadezhdin said that "the head of government was misled."

The press center of the mayor's office reports that 28 people were registered as being injured, including seven people in serious condition and one in a very serious state. A total of 24 people were admitted to Sklifosovskiy Hospital, two people to city hospital No. 20, and the same number of people to hospital No. 33.

Opening the first sitting of the state commission for developing the program for social reform, Chernomyrdin said that "terrorism will not win" and the authorities "will react adequately and without delay to these attacks".

He said that "the maximum possible measures to increase security in Moscow and other towns are already being implemented today, and all the relevant services and departments have been given the necessary government instructions and set the concrete tasks of ensuring the safety of our citizens."

Chernomyrdin stressed that "the Russian Government decisively condemns barbaric anti-popular acts of terror, wherever they come from." Commenting on today's and yesterday's blasts in trolleybuses, he said that the baseness of these terrorist acts consists in their being "carried out in town transport that is daily used by millions of totally innocent citizens."

Noting that "everyone's help is needed" in the fight against terrorism, the prime minister appealed to Russians to step up their vigilance to respond to the "brazen challenge."

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Russia: Moscow Bomb Attacks Blamed on General's Actions in Chechnya

LD1207164196 Moscow ITAR-TASS in English 1612 GMT 12 Jul 96

[By Tamara Zamyatina]

[FBIS Transcribed Text] MOSCOW, July 12 (Itar-Tass) — Is it a mere coincidence that the resumption of military operations in Chechnya on July 10 was closely followed by bomb explosions in Moscow trolley-buses on July 11 and 12? Russian Interior Minister Anatoliy Kulikov and Moscow Mayor Yuriy Luzhkov think a causal connection between those events is not ruled out.

A month or less ago, the Chechen armed opposition and its leader Zelimkhan Yandarbiyev were obviously pinning great hopes for the termination of the crisis in their republic on Boris Yeltsin's victory in the run-off presidential elections.

In early June, Chechen separatist chief-of-staff Aslan Maskhadov called on his supporters to refrain from any combat operations until the Russian presidential elections were over.

There were many pointers that the hopes were not groundless. Boris Yeltsin held a personal meeting with Zelimkhan Yandarbiyev in the Kremlin and visited Chechnya to raise more hopes for peace. Indeed, the Kremlin meeting was followed by the signing of the Nazran agreements in which the warring parties pledged commitment to the peaceful settlement of the conflict. Was it only a campaign foray?

A week after Yeltsin's victory in the second round of the presidential elections, the federal troops in Chechnya launched offensives on the settlements of Gekhi and Makhkety causing numerous casualties among their civilian inhabitants and an uproar in the press.

Was Yeltsin to blame? Those combat operations, we now know, were preceded by a meeting between Commander of the federal troops in Chechnya Vyacheslav Tikhomirov and Russian Security Council Secretary Aleksandr Lebed. The latter has been much quoted as a firm believer in the dictum "the wars end not with elections but with a victory."

Political scientists have repeatedly warned the government that in a democratic society the influence of the military must be kept to the minimum, even within the country's security council.

Vladimir Rubanov, a former deputy secretary of the Russian Security Council, told Tass that the number of servicemen within the Council was disproportionately large as compared to civilians, which evoked much criticism of the Council work. And over the past few years the hawks in Russia have repeatedly exerted pressure on politicians.

Among graphic examples of such pressure was the decision to storm the White House parliament building on October 3, 1993 made to a great extent under pressure from one of the hawks in Yeltsin's entourage, his ex-chief bodyguard Aleksandr Korzhakov. Yeltsin described the episode in his book "The President's Notes."

The botched storming of Groznyy on January 1, 1995 was launched at the order from former defence minister Pavel Grachev and it was timed to coincide with his birthday.

And, as mentioned earlier, the resumption of combat operations in Chechnya on July 10 followed a meeting of two generals — Aleksandr Lebed and Vyacheslav Tikhomirov.

The decisions were made by the generals but in every case it is the civil population that paid with lives and suffering for the inefficient actions of the military.

Now, after the presidential elections the problem of the military is again coming to the fore in Russia: in a civilized democratic state the military must be placed under control of the civil government, parliament and society.

The question is: do general Lebed's additional powers as the Security Council head subordinate only to the President meet this criterion? It is also proper to recall at this point Yeltsin's bid during the presidential election campaign to put an end to the Chechen war. Was that only campaign politicking?

Russia: Kulikov Believes Moscow Bombings Have 'Chechen Roots'

LD1407162996 Moscow NTV in Russian 1500 GMT 14 Jul 96

[Video report by unidentified correspondent; from the "Segodnya" newscast]

[FBIS Translated Excerpt] Today, at the base of Vityaz, a famous special purpose detachment, Interior Minister Anatoliy Kulikov and Interior Troops Commander Anatoliy Shkirko opened a monument to servicemen of the detachment who have been killed. [passage omitted]

Interior Minister Anatoliy Kulikov today reiterated that he personally was of the opinion that the latest terrorist acts in Moscow had Chechen roots.

[Begin Kulikov recording] I do not want to preempt, but I can tell you that more than one criminal has already been detained in Nalchik in Kabardino-Balkaria, some

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of those who assisted in that crime. There is an obvious Chechen connection there. [end recording]

[Correspondent] According to the minister, at present neither the Muscovites nor other citizens of Russia are safe against such terrorist acts. Irrespective of the efficiency of the Ministry of Internal Affairs, nobody can guarantee full safety.

Russia: 'No Evidence' To Confirm Chechen Involvement in Bus Bombing

LD1507113496 Moscow ITAR-TASS World Service in Russian 1013 GMT 15 Jul 96

[By ITAR-TASS correspondent Boris Zaytsev]

[FBIS Translated Text] Moscow, 15 Jul (Itar-Tass) — The investigative bodies examining the circumstances of the blasts on Moscow trolleybuses on 11 and 12 July still have no evidence confirming the involvement of Chechen extremists, informed sources at the Russian Ministry of Internal Affairs told the ITAR-TASS correspondent in connection with reports to the effect that Solta Ersanov, a Chechen field commander, had claimed responsibility for the terrorist acts in Moscow.

Apart from the "Chechen trace," other possibilities are being examined, such as a response by criminal groups to the decision on combating crime in Moscow and Moscow Region and also the involvement in the terrorist acts of persons bearing a grudge or persons with a history of mental illness.

The press center of the Russian Ministry of Internal Affairs told the ITAR-TASS correspondent that the last 24 hours have passed off calmly on the whole. No attempts to carry out explosions or acts of sabotage have been recorded. The Ministry of Internal Affairs has tightened the checking procedure primarily for those "trouble spots" where terrorist acts have been carried out, in particular Stavropol Territory and Kabardino-Balkaria, where a passenger bus travelling from Mineralnyye Vody to Vladikavkaz was blown up on 28 June in Nalchik, the administrative center.

Militia Major General Vladimir Urnyayev, deputy chief of the main directorate of internal affairs on transport, told an ITAR-TASS correspondent that checks on air transport have been significantly increased. In line with an instruction, the Moscow government has been devoting particular attention since October 1995 to arrivals from "trouble spots," with selective checks on passengers.

Vladimir Urnyayev said that on railway transport reinforced militia details are patrolling places where passengers are gathered jointly with cadets and servicemen. The number of trains and local electric trains under special control by the law-enforcement bodies has been increased.

Russia: Daily Publishes Roundup of Responses to Explosions

MM1207185796 Moscow IZVESTIYA in Russian 13 Jul 96 pp 1,2

[Feature comprising roundup of reports by Tatyana Bateneva, Mikhail Belkin, Viktor Velikov, Igor Vandenko, Aleksandr Dzyublo, Daniil Savkin, Yuriy Senatorov, Yuriy Snegirev, and Natalya Timashova: "Undeclared War Against the Muscovites"]

[FBIS Translated Excerpt] For the second day running a bomb has exploded in the Russian capital's transportation system.... An explosive device went off in a trolleybus on route 48, traveling from the city center to Prospekt Mira, 300 meters away from Krestovskiy Most, at 0817 hours 12 July. Specialists have assessed its force as equal to 200 grams of TNT. The explosive device was left under a seat on the left-hand side of the middle door. According to data available at the time the newspaper was signed to press, 28 people were injured in the blast. [passage omitted]

Measures Taken by the Security Services

The Federal Security Service [FSB] Public Relations Center told IZVESTIYA the following:

"As it happened, an enlarged sitting of the FSB Collegium was held 12 July, when Russian President Boris Yeltsin presented the new FSB director, Colonel General Nikolay Kovalev. The president stressed that the main task of the Russian special services today is to combat terrorism."

Aleksandr Zdanovich, chief of the FSB Public Relations Center, noted that the two explosions were similar in their nature. During operational investigation measures in Nalchik, news was received to the effect that a number of Chechen field commanders are planning to take terrorist action in several population centers in Russia, including Moscow. That is why we are working on the "Chechen" scenario very seriously. However, it is not the only possible scenario, the FSB colonel said.

Specialists from the Moscow FSB operational investigation directorate, headed by Colonel General Anatoliy Trofimov, and staffers from the FSB Antiterrorist Center, headed by Colonel General Viktor Zorin, are working at the scene of the explosions. A unified FSB, Ministry of Internal Affairs, and General Prosecutor's Office staff has been formed with the aim of effectively seeking out the criminals.

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Aleksandr Zdanovich stressed that every effort has been put into searching for the terrorists. "Police patrols can currently be seen by the untrained eye throughout Moscow. You cannot identify our people among the citizens — that is the nature of the service of the FSB staffers. But our department has considerably stepped up the intelligence operations activity involved in the investigation. [passage omitted]

State Duma Chairman Gennadiy Seleznev commented to IZVESTIYA on the tragic events in Moscow as follows:

"In my opinion, the Duma should not stand apart from this chaos. The adoption of the strictest articles and amendments to the Russian Federation Criminal Code and other documents concerning the fight against organized crime are in its jurisdiction. I do not think that there is a need to introduce emergency measures in Moscow. We just need to ensure that those who are supposed to protect people do so conscientiously. I do not rule out the possibility that the latest explosions on the trolleybuses might have been a reaction against the measures which we are currently trying to adopt in the capital in order to establish order. The criminals want to show that they represent a force." Having interrupted his trip to Valaam Island with Patriarch Aleksiy II, Moscow Mayor Yu. Luzhkov convened a press conference on Friday morning. He stressed that we can talk of a "system of violent influence on the capital's authorities and Muscovites by certain criminal structures." Specialists from the law enforcement services, the mayor went on, have already noticed similar features, and believe that there is a certain center which is organizing the terrorist acts. The threatening telephone calls to the police testify to this. The mayor recalled the text of one of the threats: "If the trolleybus explosion is not enough for you, next time you can expect us on the Koltsevaya Subway Line." This sentence was spoken over the telephone in a clear Caucasian accent, the mayor said.

In this connection, he appealed urgently to all the city's inhabitants to be vigilant when traveling through the streets and on the transportation system, and to be careful about unattended items, informing the police or duty staffers of the city services about them immediately.

The president's edict on extra measures to strengthen law and order and security in Moscow and the oblast provides extensive powers which will immediately be exercised by the relevant services, according to the mayor. There will not be a state of emergency in the city, the mayor said, but extraordinary measures are already being implemented as of today (V. Zhirinovskiy demanded the introduction of a state of emergency).

The entire Moscow police garrison has been put on around-the clock duty, and patrols in crowded places have been stepped up.

"Operations involving the mass 'cleanup' of the city are starting to be conducted in the capital in order to remove the homeless, tramps, and all kinds of itinerant criminals without Russian citizenship," the mayor stated. "A similar preventive measure will be taken against other categories of people who have settled unlawfully in the city with self-seeking or criminal intentions. The 'cleanups' will also affect tenderloin districts, the unbelievable number of casinos and other institutions with a dubious reputation."

The Caucasian Diaspora Is Angry

"Talk about the 'Chechen trail' in the terrorist acts is outrageous and insulting to us," Mukhadi Israilov, a professor at the Moscow State University Mechanics and Mathematics Faculty, told IZVESTIYA. "Why should representatives of the Chechen diaspora have to publicly justify themselves for any reason to do with the terrorist acts? Just because of the helplessness of the law enforcement organs, there is no need to throw accusations, unproved as yet anyway, at the entire Chechen nation."

I live under constant suspicion and criticism in Moscow, M. Israilov went on. Masked people break into our apartments and search them (this happened to me about two months ago). To my mind, the Chechen question should be resolved in the following way: Either they should stop bombing Chechen villages and cities, and then many Chechens, including myself, would return to their native land, or else, if Russia cannot do without Chechnya, we have the right to consider all of Russia to be our home.

Representatives of other Caucasian diasporas in Moscow also consider the authorities' accusations against all the Chechens to be unjustified. Doctor of Historical Sciences Khadzhi-Murat Ibragimbeyli, an Avar and cochairman of the all-Russia Muslim Movement "Nur" ("Light"), called this talk provocation.

"You cannot accuse poeple indiscriminately. Where is the organs' proof of the 'Chechen trail'? An entire people has suddenly been classed as bandits! After the presidential election, a second phase of war has essentially started in Chechya, and it is very tempting to connect the explosions in Moscow with the revenge of the Chechens. I do not believe this!"

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Rus[illegible]: Zyuganov Interviewed on Elections, Tasks

MM1207131696 Moscow SOVETSKAYA ROSSIYA in Russian 11 Jul 96 p 3

[Interview with defeated Russian presidential candidate Gennadiy Zyuganov by Aleksandr Prokhanov and Valentin Chikin under the "After the Non-Victory" rubric: "Gennadiy Zyuganov: We Stand Up for the People"]

[FBIS Translated Text] [Prokhanov] Gennadiy Andreyevich, this terrible political battle is over at long last and there is a respite. You can take off your battle-scarred armor and helmet and pluck out the arrowheads. On the night when the election results came through you probably had a moment when you had a sense of how you have changed in the six weeks of this battle. Our observations from the sidelines are that you entered the battle in one human capacity and emerged in another. I am not talking about political effects and achievements here. I am talking about an essential change in you. For the experience you have gained in tremendous efforts and in contact with huge social energies, both beautiful and terrible, changes essential human qualities. What do you feel you are like, what essential qualities — philosophical, psychological, moral — have been revealed in you?

[Zyuganov] This was molded long before the presidential elections. It is hard to say when this began. August of last year saw the start of the period of putting together the coalition ahead of the Duma elections, which we saw as a single whole with the summer presidential elections. New inward feelings have also grown up. They are composed of several vectors. The huge Russian expanses I have traveled, meetings, the impressions I absorbed. Tens of thousands of pairs of eyes. A small advertisement would bring a throng of thousands of people of various views, professions, and convictions. These meetings inspired belief.

I have an equally tremendous and integral sense of impending disaster and disintegration which has increasingly been borne out. This oppressed me and continues to oppress me.

An equally strong sense is the substantial nature and relevance of what we have done. The coalition that was put together worked. No matter how they tormented it and tried to pull it to pieces, nobody betrayed it and broke ranks. Leaving aside a few thoughtless remarks, all our colleagues have been faithful to our cause and our goal.

I have already seen all sorts of things in politics. I foresaw this mighty wave of lawlessness and media, psychological, and moral terror. By no means everyone will be able to endure this.

My final impression: We have witnessed a pyrrhic victory won on the ruins of what was once called democracy. We have crept up to the threshold of criminal dictatorship, and we may fall into it at any moment.

My general state at the moment is businesslike and is governed by a sober assessment of what has been achieved. I feel no pessimism and despondency. I have an enduring sense of disaster, of an impending split in society which it will subsequently be very difficult and almost impossible to mend. If you analyze economic and other reports what you see is apparently a bunch of regions alongside each other, and Russia is falling apart at the borders between them. The environment is the same, the roots are similar, but some vote one way and others another. All this requires thorough analysis.

All meetings and conversations have ended with people rising from the table, shaking hands, and going off to ponder what is happening. Once again on this occasion none of my friends has betrayed me or left me in the lurch. Our opponents have been forced to reckon with us. I calmly look to the future in the realization that only by forming a powerful people's-patriotic alliance is it possible to achieve our goals.

[Prokhanov] You were the target of incredible media pressure. Tremendous forces, even purely physical forces, fell upon you....

[Zyuganov] I was expecting media pressure and an anticommunist ballyhoo, but I did not think it would reach such a pitch. That it would take the form of overt threats, terror, and reprisals. They even slandered my mother in law: She was born in Ukraine, so they took the trouble to go to Ukraine.... They slandered my whole life — from school and my native village to my scientific works. They slandered everything I have served without citing a single fact. They interrogated a fellow student of mine on the basis of a list of 15-200 questions. He subsequently told me that he could not have imagined a questionnaire like that even in communist times. They asked how I chaired sessions of the trade union committee, how I played on the volleyball team, how I treated my friends and subordinates, whether I used to crib in examinations, whether I would allow my neighbor to crib, and so forth. My psychological portrait was built up wherever possible most painstakingly. At one time, as number two in the city of Orel, I was in charge of the work of the police, courts, and prosecutor's office, at another I looked after housing allocation. They went through all this with a fine-tooth comb looking for abuses. They did not find any.... Here

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in Moscow, wherever I went I was followed by 30 or 40 journalists; some did not even make any secret of the fact that they had been given the job of getting a photo of me with a bottle on the table, drunk. One came up to me himself: "Listen," he said, "you're spoiling the whole thing for me. You're leaving me broke. I'm bound to get a heap of money for the appropriate shots." In my view, a sane person would be unable to read the newspaper NE DAY BOG! [God Forbid!] The angles I was shown from.... I showed this paper to foreign observers: Out of squeamishness, they held it by the tips of their fingers, and they goggled when they read it. They could not believe such things were possible and found it hard to believe that such a publication was being printed in Finland in a print run of 10 million and put in every mailbox by the state distribution network. They said: "This is not merely an abuse, it is an extremely blatant violation of the law." And when they learned that this project cost between five and seven times more than the total amount of money allocated by the Central Electoral Commission to each presidential candidate, they clutched their heads....

Meanwhile, while they have been lauding the newly elected leader [vozhd] and slinging mud at the loser, I go to a Moscow school in Strogino. A superb school, with about 96 students in the final year. I am met at the door with embraces and flowers; I sign so many autographs my hand is tired.... No, nobody took these anticommunist "scare stories" seriously! Young people and middle aged people did not fall for them. Unfortunately, it proved possible to deceive people of the older generation. Evidently they had more time to watch this filth on TV.

I was invited to appear on TV loads of times, always with the same task: to bring me into conflict with Lebed or Yavlinskiy. The latter came along with a detailed analysis of my books and programs and began to analyze them in a haughty tone like a professor from a podium. I was invited several times to appear on Kiselev's program: We did nothing but rehearse for four or five hours. They tormented me for 30 minutes instead of 7 in an attempt make me fall out with the patriots, "left-wingers" and "right-wingers," and friends and allies.

Of course, that kind of experience is invaluable. From the moral viewpoint, all this is loathsomely unscrupulous. Tamara Gudima, a member of the State Duma, an honest person of liberal convictions, came to see me. She said: "You get the feeling they are wild animals. I cannot pass the time of day with them, sit alongside them, and breathe the same air. I said to them: You're going to have to live alongside us tomorrow — what are you doing?"

[Chikin] Yekaterina Lakhova, who is also a Duma member, distinguished herself particularly. She visited many cities to conduct anticommunist agitation, leaving a trail of filth and blood behind her, as it were....

[Zyuganov] Something else that amazed me is this. Facts would have been one thing. You take bribes, they might have said. Or, you are a potential bloody dictator. But no: They try to ascribe to you all their own sins and vile deeds without citing a single example, a single fact, I repeat.

[Chikin] They have a ready-made bare framework, and they put it on their victim like a noose.

[Prokhanov] I wrote earlier than a giant bomb of unknown design exploded over the country during the election campaign. Half the country, like the victims of Hiroshima, has been irradiated for a whole lifetime. In fact, if an alien civilization made contact with our people for benevolent purposes, it would have to put half the people in a giant rehabilitation clinic in order to heal them of the terrible burns caused by propaganda terror. You were at the epicenter of this strike, Gennadiy Andreyevich. You were transformed by it. You were the focus of the biology, ethics, and other energy circuits that the people were emitting in your support.

[Zyuganov] If I had been aware of all this while I was in Moscow, I would probably not have been able to stand firm. It was enough to read a few daily selections of newspaper articles about me brought by my assistants.... Eventually I began to hide these articles from my family. It wouldn't have been so bad if these articles had contained lies only about me. There was all that ballyhoo claiming that the Cossacks are all right behind Yeltsin and against Zyuganov. But you go to a Cossack village and find a couple of dozen obviously bribed people chanting something. Cossacks came to [my] meetings in their thousands. The entire Cossack belt of Russia voted for me. I remember these meetings, those eyes and faces. Despite everything, the land on which they live is a source of plenty. How can I forget the people who accompanied me: the singer Tatyana Petrova, actor and director Nikolay Gubenko, and actor Aristarkh Livanov.

Scientists also voted for me everywhere, including the system of academy institutes — in the Far East, Novosibirsk, Krasnoyarsk, and even Moscow. I remember the meeting at the Moscow State University: virtually all students. Noble, intelligent faces....

This good aura afforded me psychological protection.

At the same time none of my opponents could stand a direct ideological duel over the airwaves. They all refused. You might have thought they should have orchestrated a

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dialogue in their own favor, in Lyubimov's studio, say? With a hand-picked audience? But no. Yeltsin rejected my proposals many times.

Another impression is this: A tremendous amount of creative work has been done. I read, wrote, analyzed more than ever. More than in a five-year period. A huge heap of papers has piled up. Quite seriously, a handwritten bundle half a meter thick. Before visiting each region I would prepare individually and study personnel, trends in economic and social life, and the particular features of the region's electoral behavior. So that when you meet with them you can talk their language.

In Russia the provinces are healthier and stronger than the center. Whoever said that Russia's capital lies in the provinces is more correct than ever. Stanislav Govorukhin is absolutely right when he says that our major cities have for the most part been transformed into criminal centers. They are afflicted with massive moral and social decay and deskilling of cadres.

[Chikin] Attempts were made to dig up compromising material about the CPRF [Communist Party of the Russian Federation] leader. They went wherever they could and probed dozens of people. As a representative of the opposing team I was supposed to produce compromising material about Yeltsin. My team and I sat down and read the works of the Kremlin incumbent — "Against the Grain," "A President's Notes," and his speeches. There was no need to go to his birthplace and dig stuff up. It was all there.

[Zyuganov] They examined all my articles and speeches in the hope of finding points where I praised the authorities during CPSU [Communist Party of the Soviet Union] times. They could not find anything anywhere.

On another occasion, I recall, I was holding talks with politicians and major bankers. The owner of a major bank was sitting next to me and kept on asking: "Gennadiy Andreyevich, who is backing you?" "What do you mean? Four years ago we found everything had gone up in smoke. Nothing was left of an extremely powerful organization — not property, not money, not newspapers. In four years we have put together an organization, set up a bloc, taken 40 percent of seats in the Duma, and become firmly established: We have established a powerful belt of support throughout the territory of the country. We have gained international recognition. Now we are entering the elections on an equal footing with the party of power, with its unlimited financial, administrative, and media potential, including the resources of the special services. We have a very good chance. So who is backing us?" "No, somebody must be backing you." "I will tell you a secret, I will tell you who," I replied. "Russia, the motherland, the people."

[Prokhanov] The day the results were announced ZAVTRA and SOVETSKAYA ROSSIYA were swamped with phone calls. Women were sobbing. Pensioners who had served on the front line came along with trembling hands. How could we have lost? What would you say — from the heart, not in terms of political science — to the half of the people who are sobbing because of the non-victory?

[Zyuganov] The Communist M.N. Demin sent a phone message consisting of a single sentence: "A one-liner for Zyuganov: Kutuzov surrendered Moscow to Napoleon." What has happened should be regarded not as a defeat, as a failure — but against the background of the creation of a mighty bloc that won nationwide support. If the count had been honest, the result would have been totally different. And the stuff that went on on TV on the final day.... Stanislav Govorukhin recorded a 10-minute appeal, he specially made the time for it. He showed, first, what a criminal state society has been reduced to, second, the system for electronic falsification of the elections, and, third, he showed what will happen if the current policy is continued.

They were terribly afraid of this speech. They did their utmost to withdraw it.

I received thousands of calls and telegrams. Not a single reproach. The leitmotiv is endurance and consolidation. That was the tone of the Council of the Bloc of People's-Patriotic Forces that has just been held. It confirmed the will and determination to structure our organization throughout the country. The most important thing now is to take courage. Endurance and sobriety.

Infighting has already begun in the Kremlin team. The inability to keep any promise along with the leader's physical feebleness will make themselves felt very shortly.

[Prokhanov] The negative effect that has emerged in the might of the regime is understandable. Just like the results of the bloody operation carried out by TV on the public mind. Just like the fact that their financial potential was boundless, while the patriots didn't have a thing. Nevertheless, what would you do now to rectify our mistakes and fix the blunders?

[Zyuganov] The first and main point is this: If the bloc had emerged in the summer of last year, it would have entered the presidential elections as a well-oiled political machine with a finished vertical structure. It would not have been divided into "left-wingers" and "right-wingers" but would have resolved strategic state

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tasks. Second. A certain overly orthodox section of the Communists that is still living in the last century failed to realize that it is a question not merely of a fight between capitalism and socialism, but of the destruction of a huge culture, a huge civilization, and of a change in its outlines. It is very hard to grasp and appreciate this. Many people have a general intuitive sense of this: on the basis of the picture, the inscription, the language. But they do not fully appreciate that the tragedy will affect everyone: prosperous bankers, ruined private farmers, skilled workers, managers in the city. Third. We had to assimilate new forms and techniques of political action. We did not have time to fully deploy them. Although I have a good, young team. Four. We underestimated the extent to which the older generation is protected by its own past experience. They were able to confuse and mislead them with anticommunist "scare stories." In particular, we underestimated the influence of rumors as a means of political struggle. Rumors — the Communists will take away your pension, your dacha, or your firm and start a civil war — played a huge role.

[Chikin] It is appropriate to describe these as artificial rumors on a state scale.

[Zyuganov] After all, if you think rationally, Yeltsin had no chance. He has wrecked the reforms. His physical condition is awful. He started the war in Chechnya. He has not kept a single promise. Instead of a personnel policy there is a personnel merry-go-round. He has not offered society a clear prospect. In other words, Yeltsin lacks everything that is valued in a human being and a politician. Any pure rationalist certainly would not have advised him to run. But irrational factors operated here.

A powerful machine for the information-psychological suppression of the nation's will, memory, and conscience is being created. Appropriate political techniques are being employed. This is more terrible than a nuclear bomb. Russia has been irradiated by a neutron bomb whose blast has affected entire social strata. I knew how this was done. I had written and talked about it. However, I had not supposed that many strata of the population would prove to lack immunity to this weapon.

Incidentally, the most successful, prosperous regions of Russia vote for me. The whole of native Russia, which has endured wars, raids, and invasions over the centuries, votes for me. I did not know that the residents of port cities, raw materials regions, and big cities with a population of a million or more, bearers of the criminal-mercantile environment, would prove so staunch in their pro-Yeltsin sympathies even when they saw that their neighbors and relations have descended to the depths of poverty as a result of the "reforms."

[Prokhanov] We began to create the people's-patriotic bloc 22 August 1991. During the siege of the Russian Writers Union building by the "democrats." In fact, everything we have done since then aimed at creating this bloc. The alliance of the "right-wing" and "left-wing" opposition, the ending of the "civil war" between "Reds" and "Whites," the National Salvation Front — these are all stages in the formation of the bloc. With the destruction of one phase another arose. I have the sense that you, Gennadiy Andreyevich, while you were at the center of this effort of construction and synthesis so vitally needed by the nation, at a certain moment buried yourself in party building. You had to muster an uncoordinated party. All your energy, your real social burden was diverted for a while from the creation of the bloc as such: You felt a need to build your own organization. You built it. You would not have won these elections without your own organization.

But at the same time you launched into politics the broader set of political organizations within the bloc.

Now, when you are more or less calm about the "red phase," it is obvious that all your energy should have been immediately invested in the bloc.

But the philosophical bloc we are building must of course incorporate a very strong traditionalist, fundamental, national-state component. It must incorporate Soviet organizational experience in the broad sense of the word. And it must incorporate futurology, the political vanguard. In general our vanguard aspect is very weak.

[Zyuganov] We have long appreciated this. We conceive of the vanguard aspects of policy as self-support of the sphere of the scientific and technical intelligentsia, which has the brains, experience, and inventions. In our country there are around 700 patent technologies without equal in the world. They are not being exploited and cannot be exploited within the framework of the current policy. Incidentally, some of them relate to the organization of society. If efforts and resources were devoted to them, we could make a technological leap forward, steal a march, and make a breakthrough to the postindustrial future. After it was routed in World War II Japan organized its national metallurgical infrastructure; it switched immediately to non-blast furnace production, getting 10-15 years ahead of the developed countries from the technological viewpoint.

However, it is impossible to exploit any vanguard projects without a political organization permeating society and playing the role of root system and framework

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of power. The working person is absolutely defenseless without his own organization. During your cigarette break you can say that life under Yeltsin is bad and that it would be nice, for instance, to get ahead of Japan in metallurgy until you are blue in the face. But you count for nothing without your own organization.

We devoted a lot of effort to forming such a structure. It is the new Communist Party. It recognizes the mixed nature of the economy, democratic management methods, and the need for dialogue between different political forces. It recognizes the need for openness and new, nonconfrontational relations with the West. It has renounced the claims to a monopoly of power and ownership that were disastrous for the CPSU and the USSR. This is what used to paralyze the thinking of the party elite.

Our organization has grown up on different cultural and moral principles. We have essentially no apparatus. However, the party has become the strongest in these conditions.

And what heated debates there were in the party over freedom of conscience and atheism! And about the mixed economy! It was extremely difficult to understand the problem of stable development. The process of establishing a faction, studying lawmaking activity, and mastering parliamentary methods of struggle was also complex.

[Chikin] The most important thing is that all this was not introduced by directive, as formerly, but voluntarily accepted.

[Zyuganov] The structures of our allies — the Agrarian Party, the Russian All-National Union, "Derzhava" — were established at the same time. They also arrived at the conclusion that it is impossible to change the situation alone, and saw the pooling of efforts as our salvation.

[Chikin] There have been arguments about which ski will allow the bloc to slide along more swiftly: the left or the right. And, in general a more important point, the party or the bloc. I think the creation of the bloc would not have been possible if the party had not scaled the historic height of December 1995, when the results of the Duma elections changed our colleagues' minds.

[Zyuganov] I think December 1993 was also an important watershed. It was incredibly difficult for us all to decide to enter the Duma after the bombardment of parliament. But we realized: We must awaken people's consciousness and will and summon the opposition leaders to unity from the Duma rostrum.

[Chikin] It took many of our friends a couple of years to stop "digging their heels in" and join the bloc.

In this connection the trauma of non-victory which Aleksandr Andreyevich spoke of is extremely painful for many of our supporters. After all, people believed not so much in Zyuganov as in justice. The regime seemed to have become "rotten" and is extremely, utterly unpopular. But it survived. We cannot even imagine how many people have been traumatized by the non-victory.

How did Yeltsin's election campaign proceed? In small towns, villages, and settlements representatives of the [local] administration directly threatened people: "We will turn off the lights unless you vote the right way; you will sit at home for six months without power." Or: "We will turn off the gas supply. And you won't receive any money either!" And people believed they would be as good as their word. This law has already become established there without anybody's say-so, as it were. Enormous wage debts have now built up. Nobody has been condemned for this. Lower-level chiefs were simply told: "We will fire you unless you ensure that people in your area vote the right way."

Now remember how the "box" worked after that night, from 3 to 4 July. TV observers began philosophically pondering how come Yeltsin had won in regions that had earlier voted for Zyuganov. Maybe the seven points of Lebed's program incorporated in Yeltsin's program had helped the latter? Maybe the local elites had monitored the conduct of the elections?

Later we were shown a report on the firing of two Samara administrators. Why? Because their people had not voted for Yeltsin: This was not even concealed. I think that our party, our bloc should defend such people. This must be made a political campaign. We must not finally disappoint the people who have lapsed into despondency.

We cannot leave our supporters to face the coercion [nasiliye] of the regime alone.

[Zyuganov] Yes, we must encourage and support them and give them a hand. We must appeal to our allies once again and issue a joint warning to the authorities that coercion is a double-edged weapon and there will be a price to pay for this. That if it continues, the repercussions will be tenfold.

[Chikin] We must also publicize the abuses during the elections.

[Zyuganov] We will do so. We have around 50 documents on this topic, including a review of the activity of Russian Public Television. We are entitled to appeal

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to any judicial body. We are using all mechanisms for legal protection.

[Chikin] And, of course, there must be no post-election pause in the activity of the bloc's leadership.

[Zyuganov] There won't be. We have held a session of the bloc council. The chiefs of the regional campaign headquarters and secretaries of regional party organizations will soon arrive. We will analyze the election results. We will learn the lessons. The organizing committee to prepare for the Congress of People's-Patriotic Forces will start work next week. Work on the draft charter lies in store.

We have mapped out the bloc's aims in the gubernatorial elections coming up in over 40 regions of Russia.

At the same time I have held consultations with people who today influence public life in Russia, asking them to help mend the post-election split in society.

The ideas on which we based the Council of National Accord which we proposed now seemingly form the basis of the activity of our opponents, who are crazed with the joy of victory.

[Chikin] I think our supporters expect Gennadiy Andreyevich Zyuganov to launch a powerful and topical political initiative within the framework of parliament. How should Duma work develop in the new situation?

[Zyuganov] First of all, in the near future I do not rule out attacks on the chairman of the chamber — Gennadiy Nikolayevich Seleznev. Any attempt to consolidate a section of the Duma, the regional barons, and the "democrats" (for instance, Yavlinskiy) on an anti-communist basis can only destabilize society without bringing the organizers political success.

I agree we must substantially adjust the work of the State Duma. There is a package of around 20 laws (taxes, the budget, the fight against corruption, social protection, statutes obliging the timely payment of wages, pensions, grants, and so forth) whose passage must be expedited and which must be adopted. At the same time the CPRF faction has the legislative opportunity to establish extremely strict monitoring of the implementation of each of Yeltsin's campaign pledges. The parliamentary recess must be used in order to create the groundwork for this.

[Chikin] How do you envision the development of the initiative about creating a shadow cabinet put forward before the second round? What will it be? What is its mission? How influential does it promise to be?

[Prokhanov] The problem of joining (or not joining) the Chernomyrdin cabinet is equally topical.

[Zyuganov] My viewpoint is extremely clear here. We proposed the principle of a coalition government, allow me to clarify, even before the elections and by no means out of considerations of short-term expediency. The situation in the economy cannot be put right unless new, modern, professional, unsullied people join the government. In my view, the approach toward the problem of a coalition cabinet should now look as follows. We form a bloc, adopt a decision at the congress, define strategic program aims, and create a shadow cabinet. This cabinet makes a profound and professional study of any problem. It studies it in every detail and proposes a program for its solution. The shadow cabinet must be a competent opponent of the existing regime. It must prove its superiority over the cabinet that is vested with powers when it comes to solving real problems.

Joining or not joining the Kremlin cabinet will depend on the course that the head of that cabinet pursues. So far we have not heard responsible program statements from that quarter. For us it is a question of the entry not of individual figures, but of the bloc as a whole. This requires a very thorough approach. However, I do not greatly believe that they are ready to adjust their course. The same old deck is still being shuffled: Shakhray, Gaydar, Chubays....

[Chikin] The regime has often proclaimed false, invalid programs of economic reform. And has instantly "brilliantly" wrecked them. Its economic policy is sheer mystification. Can these people be trusted? It would be possible to join the government only with political aims. To monitor the promises made by the cabinet.

[Zyuganov] I think the final breakdown of the economy is not in the interests of either side. There would be total collapse, and we might arrive and everything had gone up in smoke. The bloc must carefully consider everything.

[Chikin] We have always been worried about the state of the "power" part of the government. This sector has now been stripped bare and disorganized, as it were, and the situation is extremely confused. What is the party leadership's view of the coup that occurred ahead of the second round and of the new rising stars in the Kremlin?

[Zyuganov] We are witnessing the expedited dispatching [dobivaniye] of the country's key security institutions. What happened just recently is reminiscent of 1937. The "power" structures have been decapitated.

Another point I would make is this: According to the law, the government is supposed to resign after the elections. Instead of this reshuffles and behind-the-scenes battles are under way and appointments are

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being delayed. This applies to the "power" departments above all. Everything depends on who is appointed. If Baturin, Shakhray, and the others turn up once again, then the task has been set of dispatching the "power" structures once and for all. If professionals appear in these ministries, we would only welcome this.

[Chikin] However, the intrigues over the "power" departments are now revolving around the bed of the sick man in the Kremlin. Nobody knows what will become of all this.

[Zyuganov] This is the greatest danger. In general, I believe that the national security concept cannot be adopted without being discussed in both houses of the Federal Assembly, all the committees, and the General Staff. In our country this is done differently: Two or three people sit in a glade at a dacha in the countryside and write a document. And begin to publicize it. And the president signs an edict on a professional army. Incidentally, we have three professional arms of service — the Navy, the Air Force, and Missile Forces. And these professionals, almost to a man, have no money, new recruits, or logistical support. What kind of professional army is meant?

[Prokhanov] Experts on the opposing side claim that the framework of Yeltsin's regime has been razed to the ground. The dismissals of people in the "power" ministries and the expulsion of the so-called national capitalist grouping from the Kremlin and the government; the continuing decay of the military-industrial complex and the swelling of fuel and energy complex elements in the economy. [sentence as published] The balance within Yeltsin's entourage has been destroyed. The task of Yeltsin — the collective Yeltsin — is to restore a stable configuration of his own power. Everything they are now doing is aimed at resolving this task. Balance between clans, balance between generations, balance between ideologies — they are scrupulous in looking after all this.

Our situation is similar in many respects. The opposition no longer exists in its previous form. The plankton has been eaten by a single large whale that was reared on this plankton and has become a huge ocean creature. We too are building our flank. If we proceed from the country's interests, their building and ours envisage zones, assemblies, and architectural modules making it possible to interlock [blokirovatsya]. To ensure that both structures of power are arches in a single all-Russian state community.

[Zyuganov] You are quite right, Aleksandr Andreyevich. That is how things would be if both sides based their activity on the interests of Russia and its statehood, economy, geopolitics, and culture. It will be a different matter if our opponents continue the former course of destruction and decay. Let us see what they come up with.

Russia: Communists 'Willing To Fill Any Posts in Government'

LD1507094196 Moscow ITAR-TASS World Service in Russian 0849 GMT 15 Jul 96

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 15 Jul (Itar-Tass) — The communists have not yet received any proposals to join a new government that is being formed by Viktor Chernomyrdin, Viktor Ilyukhin, one of the leaders of the Communist Party of the Russian Federation told an ITAR-TASS correspondent today. However, he is confident the proposals will certainly follow.

Ilyukhin stressed that the communists are "willing to fill any posts in the government. Only by joining the government — we will be able to make certain of whether it is possible to work with him," he said.

Russia: Yavlinskiy Discusses Meeting With Premier, Joining Government

LD1407220296 Moscow NTV in Russian 1700 GMT 14 Jul 96

[Interview with Grigoriy Yavlinskiy, leader of Yabloko, by Yevgeniy Kiselev; in the NTV studio; from the "Itogi" program — live]

[FBIS Translated Excerpt] [Presenter Yevgeniy Kiselev] Good evening, Grigoriy Alekseyevich!

[Yavlinskiy] Good evening!

[Kiselev] How was the meeting between you and Prime Minister Viktor Chernomyrdin organized? On whose initiative was it held?

[Yavlinskiy] [passage omitted: after the president announced he had instructed Chernomyrdin to form government, it was clear there should be meeting] That meeting was rather an easy one and there were no problems in its organization. The prime minister immediately agreed to meet and the meeting was a rather [word indistinct as Kiselev interrupts] one.

[Kiselev] So it was on your initiative?

[Yavlinskiy] Yes, it was planned in advance taking into account what the president had said about the plan for forming the government. The fact of the matter is that the formation of the government itself may move along two lines: One direction is a struggle for proximity to

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the president or, as they saying goes, for proximity to the body that takes the decisions, and the other is the rotation of corrupt groups around the president — some take the place of others. That is one style of forming the government. And, incidentally, it is manifesting itself in a rather strong way now. There is a circle of people, including...

[Kiselev, interrupting] How does it manifest itself, for instance?

[Yavlinskiy] By the fact that you still do not have any idea about what is happening there. You are making use of rumors, guesses, conjectures, constructing various versions. There is no clear plan of discussion, let's say, of the government's program, of its aims and tasks, of the principles of forming the government, taking account of the problems facing the country today. All of that is happening in a different way. Somebody said something to someone somewhere. Somebody wants to thank someone. Somebody has got close to the president and somebody else has become alienated from the president.

Incidentally, the preelection campaign itself and its difficulties show the fallaciousness of such a method of forming the government. Therefore, when talking to the prime minister, I considered it necessary to express my concern, not only over the methods of forming the government, but also over the problems facing the country today.

For instance, we are extremely concerned over the situation in Chechnya. We consider it to be absolutely impossible and intolerable. It will have very serious consequences for the country. We are extremely worried about the outbursts of terrorism in the country today, about all the hullabaloo around the problem of corruption instead of resolving some important, clear and understandable things connected with corruption.

And every specialist will tell you that the economic situation is becoming more and more alarming and dangerous as autumn approaches. The government should have been formed proceeding from these tasks. Viktor Stepanovich set aside a lot of time for discussing these problems.

[Kiselev] Can you say, fairly definitely, was the question of your personal participation in government or the participation in government of other people from Yabloko discussed?

[Yavlinskiy] [passage omitted: it was the president who made such proposals, not the prime minister] My meeting with the prime minister was of a consultative character. Both sides spoke of what I consider to be extremely important, useful and essential things because, I stress once again, we are extremely alarmed by what is happening today. That is very far from all the preelection promises made by many of those who could carry these promises out today and the situation is moving even further and further away from them.

[Kiselev] Grigoriy Alekseyevich, I hope you do not mind but certain details are of interest. For instance, were you personally, going into that meeting after such sharp words were said about you by Chernomyrdin, weren't you offended by them?

[Yavlinskiy] [passage omitted: he was not] Our task, our aim is to defend common democratic values and also the principles of carrying out a liberal-democratic policy. We consider this to be absolutely essential for our country, as is the departure from the crime-infested, semi-criminal state system of our regime.

Taking account of these tasks, whenever we can, we have set and will set conditions, make demands. We will argue, propose programs, take part in politics in various capacities to change the political course. This is the task of the democratic opposition. This is the purpose of it. [passage omitted]

I know that a large part of my electorate voted for Boris Yeltsin in the second round. Consequently, it is my duty to hold such consultations and meetings.

[Kiselev] So a new situation has arisen and you are obliged to take account of it?

[Yavlinskiy] Of course, a new situation has arisen. The president of Russia has been elected for a new term. We are not renouncing a single word of what we said in the past six months.

We still think very serious mistakes have been made, but we have noted what the president said recently. Yeltsin said: We have made many mistakes but, it's a crime to make these mistakes again! It is about these crimes that, as the president called them, that we are talking now. We are making every effort to ensure that these mistakes are not made again. There cannot be any complacency about this today. Today the situation is taking shape in a different way. It seems that we are heading towards many of the mistakes that have been made already, both in personnel issues and in issues of policy. [passage omitted: many of Yabloko voters would prefer movement to remain in opposition; Yavlinskiy on role of and need for democratic opposition]

Everything we do will only be on the basis of principle and only to ensure that policy is changed, to ensure that mistakes are not repeated. For instance, it is completely unacceptable to us to work in a government that escalates the war in Chechnya. It will be quite

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impossible if the government makes use of the situation in Chechnya and of terrorists acts to suppress totally the rights and freedoms of citizens. It will be impossible for us if the government continues to appoint the rich, to bring some closer and distance others. [passage omitted: on possibility of resignation from government in six months]

We intend to discuss the question of working in the government as a team, that is namely, on the basis of professionalism and on the basis of a change of course, having in mind both the solution of many social questions and the solution of short-term problems of the crisis situation that will form in the budget in autumn. This for us is the question of specific, detailed work. We will make every effort to ensure that a situation in which doors bang shut does not arise again. [passage omitted]

I want to stress once again that for us, the question of joining the government is not a question of finding a job. How is joining the government viewed in Russia? Either as the opportunity to become famous or to steal. Neither is part of our plans. [passage omitted: first not attractive, second impermissible] We can join the government only to implement over the next two or three years everything that we have spoken of over the past few years.

[Kiselev] Could you, Grigoriy Yavlinskiy personally, if the circumstances were right and certain fundamental conditions were observed, work with Chernomyrdin?

[Yavlinskiy] If certain fundamental conditions were observed, yes!

[Kiselev] Thank you Grigoriy Yavlinksiy for your replies! Thank you for being live on air!

Russia: Chubays Replaces Yegorov as Head of Yeltsin Administration

LD1507112396 Moscow INTERFAX in English 1110 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (Interfax) — Anatoliy Chubays has been appointed chief of staff of Russian President Boris Yeltsin's administration.

He will replace Nikolay Yegorov who remains in charge of a commission set up to organize the ceremony of inauguration of the president in August, presidential spokesman Sergey Medvedev said Monday.

Military Issues

Russia: Yeltsin Sets Up Military Technical Corps, Belgorod University

LD1307205896 Moscow ITAR-TASS World Service in Russian 1438 GMT 13 Jul 96

[FBIS Translated Text] Moscow, 13 Jul, (ITAR-TASS) — Russian President Boris Yeltsin today issued an edict "On the establishment of the Military-Technical Cadet Corps." The presidential press service said the edict was issued for the purpose of expanding the opportunities for underage people to obtain complete intermediate general education, ensuring their all-round education, and preparation for military service.

The president decided to set up the corps in the system of the Russian Ministry of Defense in the town of Tolyatti, Samara Region. The Ministry of Defense will finance and maintain this educational establishment. The administration of the town of Tolyatti will be joint founder of the corps with the Defense Ministry and will partially finance the educational process and literary and study aids from the town budget.

The president also accepted from the administration of Belgorod Region with the support of the Russian Federation Government a proposal to set up Belgorod State University and issued the corresponding edict. The edict was issued for the purpose of regularizing the system of educational institutions of higher vocational education, and also meeting Belgorod Region's requirements for university-type educational establishments.

Russia: Rodionov Tells Yeltsin Army Reform 'Stalled'

LD1507091196 Moscow INTERFAX in English 0855 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (Interfax) — Col. Gen. Igor Rodionov, the head of the Academy of the General Staff, said army reform has gotten stalled and is not going anywhere.

In his one-on-one meeting with President Boris Yeltsin on Friday, Rodionov told him that "army reform has come to a halt and no one is working on this problem. Moreover, the concepts of 'army reform' and 'military reform' have been mixed up."

He told Interfax on Monday that "not a word was said about any intention to appoint me as the defense minister."

At the same time, the general stressed that "I am not asking for anything, but, as a military man, I will not reject such an offer."

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He believes that the post of defense minister should be given "only to a professional."

Rodionov denied reports that the number of casualties had grown after he had taken command of Soviet troops in Afghanistan in 1985-1986.

He noted that he had used a different approach towards combat actions and tried to plan every operation very thoroughly.

"The task was to conduct fighting even without minimum losses. As a result, we managed to considerably reduce casualties among our troops in Afghanistan, which is confirmed by open official statistics," he said.

Russia: Grachev Assistant Criticized by Lebed Dismissed

LD1307170296 Moscow ARGUMENTY I FAKTY in Russian No 27, signed to press 1 Jul 96

[Unattributed report in the "Political Salad" column under the heading "The All-Powerful Yelena Has Been Dismissed"]

[FBIS Translated Text] Asked how serious the situation in the Defense Ministry was on the day of Pavel Grachev's dismissal, and whether it might spill over into some kind of specific acts of force, General Lebed replied that Yelena Agapova had actually been preparing such acts since March. The new secretary of the Security Council repeated the name of this woman, who was fateful for the Russian power structures, many times in his interviews, in his many news conferences and even in speeches in the State Duma. So who is Yelena Agapova?

She used to be seen constantly at Pavel Grachev's side. The office of the "all-powerful Yelena", "Lena's room", is on the fifth floor, not far from the minister's suite, in the white Defense Ministry building on Arbat Square. Far from every army general receives such an honor. After all, access to "Himself" was strictly restricted. It wasn't soldiers who were on duty in the ministry's corridors but vigilant senior warrant officers. Only people with special passes could enter this part of the building. But no one asked for documents from Agapova. She had free access to the minister's office.

Agapova took part in closed sittings of the Defense Ministry collegium, although she did not have the appropriate right of entry to secret meetings. The most important documents were not signed without her knowledge.

There is not really any point now in dwelling in detail on Agapova's luxurious dacha, or her beautiful apartment in the generals' block. Whether or not all this was acquired legally will be cleared up by the procuracy.

Russia: Acting Defense Minister Discusses Finance Issues With Staff

LD1307194796 Moscow ITAR-TASS World Service in Russian 1545 GMT 13 Jul 96

[FBIS Translated Text] Moscow, 13 Jul, (ITAR-TASS) — General Mikhail Kolesnikov, acting Russian defense minister, held a working meeting today at which ways to solve problems caused by a difficult economic situation, as well as other current issues related to the functioning of the Russian Armed Forces were discussed. Among other things, more effective use of funds allocated to the ministry received a detailed consideration at the meeting, the Defense Ministry Information Department told ITAR-TASS.

General Kolesnikov and Andrey Kokoshin, first deputy defense minister, informed the meeting about the Defense Ministry leadership's efforts to provide normal funding for the army and navy, and also about the Russian prime minister's decision to clear the government's debt to the Armed Forces, especially with regard to pay and food supplies.

The need for strict personal control by all Defense Ministry officials over the proper use of finances received by the ministry was stressed at the meeting. Heads of appropriate services reported about Armed Forces preparations for winter, and about the state of food supply to the army and navy.

Russia: Kokoshin Chairs Conference on Arms for Air Force

MM1507101696 Moscow KRASNAYA ZVEZDA in Russian 12 Jul 96 p 1

["Own Information" report: "Modern Equipment for the Air Force"]

[FBIS Translated Text] Andrey Kokoshin, Russian Federation first deputy defense minister, has chaired a conference on work on the long-term armament program relating to Air Force hardware which is currently with the Russian Federation Government. In the most complex and sometimes critical conditions of defense funding, the supply of the very latest equipment to the Air Force and the development of new prototypes must not stand still, he noted.

The report by Major General Yuriy Yatsenko, chief of the Air Force Armament Directorate, said that since the formation of the Russian Air Force in 1992 it has acquired 15 types of new equipment. They include a new version of the MiG-29 light front-line fighter with

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the most modern armament system, the Ka-50 combat helicopter, a highly effective air-to-air guided missile, several types of new unguided weapons, and two guided bombs.

It emerges from the documents presented during the conference that efforts in the information warfare sphere have resulted in the development of various navigation systems and means, front-line aviation guidance centers, and the Luch-7 mobile airfield lighting system, which enables aircraft to take off and land at operational airfields in complex weather conditions. The northern section of the Tropik-2 long-distance radio navigation system has been commissioned to provide navigation for an unlimited number of moving objects in the northern latitudes. Standardized aircraft equipment belonging to the Glonass space radio navigation system (a grouping of 24 satellites belonging to this system was completed by the Defense Ministry Military Space Forces in 1995) has been tested and accepted — this equipment makes it possible to identify the location of moving targets with an exceptionally high level of accuracy.

As conference participants noted, one of the most important tasks today is to keep such top-class aircraft as the Tu-22M3 and Su-24M bombers, the Su-27 and MiG-29 fighters in their various versions, the Su-25 ground attack plane, the Il-76, An-124 military transports, and others in a combat-capable condition. The Tu-95MS heavy bomber still exhibits a high combat potential and reliability.

On the whole the Russian Air Force's grouping of modern aircraft is quite impressive and the operation of this aviation equipment is backed up by enormous efforts by all services, despite the constant shortage of resources, spares, and various materials. But these planes and their weapons must be modernized and their tactical-technical characteristics must be improved, it was noted during the conference.

Andrey Kokoshin particularly stressed the need to give priority to the development of the entire range of radioelectronic warfare systems for the Air Force and to improve the tactics for their use.

Taking part in the conference were Lieutenant General Yu.N. Baluyevskiy, acting chief of the Main Directorate for Operations, and Colonel General A.P. Sitnov, Russian Federation Armed Forces chief of armaments.

Russia: Army Brass Reaction to Military Police Bill 'Mixed'

MM1507090496 Moscow IZVESTIYA in Russian 13 Jul 96 p 1

[Report by Igor Vandenko: "Still No Military Police, and Generals Opposed"]

[FBIS Translated Text] The State Duma Defense Committee has drawn up a draft law "On the Military Police."

This is the lawmakers' direct reaction to the deterioration in law and order in the Army. More than 28,300 crimes are committed among the troops each year. The number increased by almost a quarter in 1995 alone.

Order in the Army is currently monitored by three structures — the Military Prosecutor's Office, military investigation organs, and the Federal Security Service, but they are strongly dependent on the military command. Under the draft law, Military Police organs will be separate from the military formations in which they operate. It is assumed that they will be directly subordinate to the Russian Federation president.

Apart from operational investigation and inquiry work, as well as carrying out their duties of maintaining law and order among the troops, the Military Police, as the drafters of the law see it, should monitor observance of legislation in the Army.

This idea has had a mixed reception from the Defense Ministry. According to Sergey Yushenkov, member of the State Duma Defense Committee, "the generals are scared of the Military Police."

Federal Assembly

Russia: Duma Urges Yeltsin To Reconsider Laws on Fighting Crime

LD1207154396 Moscow INTERFAX in English 1536 GMT 12 Jul 96

[FBIS Transcribed Text] MOSCOW, July 12 (INTERFAX) — The Russian State Duma called on President Boris Yeltsin to reconsider the laws on the fight against organized crime and corruption in its resolution passed by 318 votes Friday.

Today's plenary session focused on the recent terrorist attacks in Moscow.

The above laws had been passed by the previous Duma last fall and vetoed by the president because of incompatibility with a number of provisions of the constitution.

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The Duma called for better "coordination of the efforts of all law-enforcement bodies and special services in this direction."

Russia: Duma Adopts Amended Inauguration Law After Yeltsin Veto

LD1207110896 Moscow ITAR-TASS in English 1044 GMT 12 Jul 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, July 12 (ITAR-TASS) — The State Duma again adopted today the federal law "On the inauguration of a newly elected President of the Russian Federation," taking into account observations of the head of state. 229 MPs voted for, one voted against and five abstained from voting.

Previously the Duma adopted the law, on the whole, on May 24, and on June 5 it was approved by the Federation Council. However, on June 20 the President put a veto on it and sent a letter to the State Duma Chairman with his remarks concerning the law. Taking them into account, the legislators removed some provisions from the document.

According to the law, Aleksandr Kotenkov, official representative of the President in the Duma, addressed the lower chamber of parliament prior to the voting. He said that, in the opinion of the President, the adoption of the law was not a matter of priority, and one of the reasons for it is that he had already issued regulations on inauguration. The President believes, he continued, that in the autumn the Duma may decide all matters, connected with the absence of the law on the inauguration of a president, by adopting a law on the government and making some amendments to the law on the election of the head of state.

The legislators again voted for the document, however, and now it will be sent to the Federation Council in a new wording, which takes into consideration observation and suggestions of President Yeltsin.

Russia: Duma Ratifies Exchange Rate Agreement With Belarus

LD1207122096 Moscow ITAR-TASS in English 1209 GMT 12 Jul 96

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, July 12 (ITAR-TASS) — The Russian State Duma lower house of parliament on Friday ratified an agreement with Belarus to stabilise the exchange rates of the two countries' currency against one another and create favourable conditions for mutual trade.

The agreement was signed by the Russian government and Central Bank and the Belarusian government and National Bank on January 6, 1995.

The State Duma ratified the agreeement by an overwhelming majority of 336 in favour, with only one against and two abstentions.

Russian deputy finance minister Oleg Vyugin said in presenting the document for ratification that the agreement creates grounds for unification of currency legislation of the two states and authorises the two national banks to carry out transactions in both Russian and Belarusian national currency and extend mutual loans.

Russia: Kuznetsov Cited on Planned Parliamentary Accord Bloc

MK1307132196 Moscow KOMMERSANT-DAILY in Russian 13 Jul 96 p 3

[Report by Dmitriy Kamin: "NDR Rallies Duma To Anti-Communist Banners"]

[FBIS Translated Text] Boris Yeltsin's election victory has lent energy to the Russia Is Our Home [NDR] progovernment faction, whose activity in the Duma has until recently been rigidly blocked by the Communists and their allies. On Thursday [11 July], NDR faction council chairman Sergey Belyayev sent out to the parliamentary leaders of all the other deputy associations (excepting the CPRF [Communist Party of the Russian Federation]) an appeal which essentially calls for the creation in the Duma of a coalition under the name of Parliamentary Accord [Parlamentskoye soglasiye]. Its proposed task is constructive interaction with the government. NDR faction deputy chairman Boris Kuznetsov commented in detail on this initiative on request from KOMMERSANT-DAILY.

Since Gennadiy Zyuganov is the only one who did not get Belyayev's appeal, the anti-Communist trend of the new association is apparent. The problem, however, consists in whether representatives of the other non-Communist associations are going to voice their support for it. For the new association to be able to wage struggle with the biggest parliamentary faction on an equal footing, there should be actual and close interaction between all the anti-Communist factions and groups of deputies. This is precisely something the democrats have never been able to do; their vulnerable spot, in addition to low discipline in voting, has always been their inability to unite even at the moments of common threat.

A draft memorandum on the creation of the coalition circulated by Belyayev proposes that its participants

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would be able to guarantee concerted voting on all the most important questions, ranging from amendments to the Constitution, formation of budgets, and privatization to social policy and resolution of conflicts inside the country. The expectation here is slightly on the fantastic side: the masterminds of the coalition intend to counter 220 steady votes of the Communists with as steady 230 remaining votes of the lower house members.

Belyayev's deputy Boris Kuznetsov is confident that the prospect of a closer contact with the government put at the head of the list by masterminds of the coalition is expected to interest the majority of the leaders invited to unite factions. Kuznetsov points out at the same time that the process of consolidation is made sharply difficult by the internal struggle caused by personal ambitions of the selfsame leaders, each of whom would like to play the leading role in the coalition." Besides, there is another problem, named "Zhirinovskiy." The LDPR [Liberal Democratic Party of Russia] leader expresses every support to NDR's attempts to stabilize the situation in the Duma while at the same time he intends to evade formal participation in the coalition. Such a strategy makes it possible for him to in fact predetermine any Duma decision by selecting during voting between Communist and anti-Communist blocs. There will be no coalition unless Zhirinovskiy changes this stance.

The bloc organizers may be presented with an equal amount of problems by Grigoriy Yavlinskiy, who has been of late stubbornly demonstrating an enigmatic and elusive "lost-track" style — NDR would, perhaps, only be able to cooperate with the Yabloko leader if he really gets appointed first deputy premier.

Among the remaining two organized groups which stand closest to NDR positions is "Regions of Russia," led by Vladimir Medvedev, who is always conducting political games in the wake of the prime minister. It is quite probable that NDR will agree with this association despite Vladimir Medvedev's lack of enthusiasm about the idea of uniting with NDR. The Agrarian group under the leadership of Nikolay Kharitonov will, apparently, make its decision proceeding from its usual criteria, and since Zyuganov would hardly be able to issue a credit for the sowing season, Kharitonov's choice is already easily predictable.

Boris Kuznetsov is confident that the monopoly of the Communists, existing in the Duma today, strongly irritates not only NDR members but also the other legislators, who "cannot under these conditions work effectively." Such sentiments give NDR chances of success. Primarily if the "work effectively" phrase implies, as far as potential members of the coalition are concerned, chances to actually increase the degree of contact with the government, which under Russian conditions has always meant greater lobbying prestige of those who make contacts. Such a possibility, however, is more openly implied than concealed.

Regional Affairs

Russia: Chechnya Opposes Accusations of Moscow Terrorist Acts

LD1407114296 Moscow ITAR-TASS in English 1134 GMT 14 Jul 96

[By Nikolay Zagnoiko]

[FBIS Transcribed Text] GROZNYY, July 14 (Itar-Tass) — The Chechen Ministry of Information and the Press circulted on Sunday a statement expressing inadmissibility of accusations against Chechens of engineering the latest terrorist acts in Moscow, since investigation has no evidence in favour of such accusations.

The statement says, among other things, the following: "The Russian mass media transmitted a disquieting chronicle of terrorist acts in the public transport of Moscow over the past few days as a result of which over 30 people were injured.

"The citizens of the Chechen Republic who fully experienced manifestations of banditry and terrorism, met this news with a feeling of regret and concern.

"Nobody assumed responsibility for these terrorist acts, and executors of the crimes have not been exposed. In this connection, a reaction by some Russian officials who hurried to state about complicity of Chechens in these crimes, looks as incomprehensible and provocative to some extent".

The document notes further that such statements can provoke an escalation of military tension in Chechnya and mass persecutions against Chechens living in Moscow and other regions. The Ministy of Information and the Press regards such uncorroborated statements as inadmissible.

Russia: Chechen Field Commander Claims Responsibility for Bombings

LD1407152796 Moscow ITAR-TASS World Service in Russian 1503 GMT 14 Jul 96

[By ITAR-TASS Correspondent Andrey Shtorkh]

[FBIS Translated Text] Ankara, 14 Jul (Itar-Tass) — Chechen field commander Solta Ersanov has taken responsibility for the explosions in Moscow on 11-12 July, in which 30 people were hurt. This was said

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by an unknown person who telephoned the office of CHECHEN PRESS in Istanbul at about 0900 GMT today. He said that the actions on the Moscow transport were not "acts of terrorism but a warning to the Russian authorities." CHECHEN PRESS claims that the anonymous caller was phoning from Moscow. It has become known to an ITAR-TASS correspondent that the caller said "more serious actions will follow if missile and bomb attacks on the Chechen villages and towns continue."

Russia: Separatist Leaders Disassociate Themselves From Bomb Claims

LD1407162396 Moscow ITAR-TASS World Service in Russian 1531 GMT 14 Jul 96

[By ITAR-TASS correspondent Andrey Palariya]

[FBIS Translated Excerpt] Ankara, 14 Jul (Itar-Tass) — [passage omitted: a Chechen field commander claimed responsibility for recent blasts in Moscow public transport]

Well-informed Chechen sources today told the ITAR-TASS correspondent in Ankara that the separatist leadership was "categorically opposed to such methods," and said Zelimkhan Yandarbiyev, the president of the self-proclaimed [Chechen] Republic of Ichkeria, had "issued an order to that effect, saying their use was impermissible." If the reports are true, the sources said, "this could be an action of a loner bent on vengeance."

A day earlier "Ichkeria's" Foreign Ministry sent a statement to the ITAR-TASS office in Ankara, deploring the terrorist acts in Moscow and saying that "the political and military leadership in the Chechen Republic of Ichkeria rejects terrorism as a means of attaining political goals."

According to the information received by ITAR-TASS from Chechen sources, about 400 civilians were killed in one week of bombings. Thus, in the village of Makhkety one bomb strike is reported to have killed 29 women and children simultaneously in a cellar of a house. According to the report, 37 people living there swore on the Koran that they will kill the same number of relatives of Doku Zavgayev, the head of Chechnya. Chechen gunmen's field commander Doku Makhayev, Akhmad Aslanbekov, former commander of the presidential guard, and 25 separatists were also killed in the hostilities.

The ITAR-TASS correspondent has learned that the defense committee of the Chechen separatists' leadership is to convene shortly. The meeting will be called in connection with increasingly frequent pronouncements by Chechen field commanders to the effect that dialogue with Russia should be given up and wide-scale military operations should begin.

Russia: Chechen Connection Found as Nalchik Bomb Suspects Arrested

LD1307210096 Moscow ITAR-TASS in English 2056 GMT 13 Jul 96

[By Gennadiy Kipkeyev]

[FBIS Transcribed Text] NALCHIK, July 13 (Itar-Tass) — Police have arrested two teenage brothers on charges of blowing up a coach in southern Russia on June 28.

The brothers, 15 and 16 years old, acted on instructions from Chechen field commander Ruslan Khayroyev in whose group the eldest brother had fought since last year, according to a high-ranking official in the Interior Ministry of Kabardino-Balkaria, a Russian constituent republic in the North Caucasus where the bomb blast occurred.

He said that both teenagers are residents of Nalchik.

Kabardino-Balkar Public Prosecutor Ruslan Abazov told Itar-Tass earlier this week that he has irrefutable proof that the crime involved three people. Two of them have been arrested and charged with complicity in the act, while search continues for the third one, he said.

On June 28, the explosion ripped through a bus following from Mineralnye Vody to Vladikavkaz and injured 38 people. Two of them died instantaneously, another four died from injuries later.

The time-bomb, the equivalent of up to four kilos of TNT, had been placed under the second seat in the last row of the bus.

Both perpetrators had used the same kind of bombs in the town of Prokhladnyy on June 24, but at that time they did not go off. One of them was later found in a left-luggage room at the local railway terminal. The other one, which they had left in a bag in a commuter train, has not been found yet.

The two brothers were detained at their home. During the search, police found a grenade.

Both have been put in a detention prison of the Kabardino-Balkar Security Service outside the republic. Under Russian laws, they are facing a sentence of up to 10 years.

After blowing up the bus in Nalchik, the brothers headed for Chechnya to join Khayroyev's group. Their mother followed them to try to persuade them to return home.

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During the questioning by police, she said that Khayroyev's group has many teenagers from Kabardino-Balkaria. Chechen rebels recruit them through their piers who have fled Chechnya and are currently staying in Nalchik.

When they arrive in the group, they go through screening and those who are cleared are used first as guards and later get involved in combat actions.

Russia: Yeltsin Signs Edict on State Authorities in Chechnya

LD1407112896 Moscow ITAR-TASS World Service in Russian 0955 GMT 14 Jul 96

[By ITAR-TASS]

[FBIS Translated Text] Moscow, 14 Jul (Itar-Tass) — President Yeltsin has signed an edict "On Measures To Stabilize the Functioning of the State Authorities of the Chechen Republic." The text of the document was received by ITAR-TASS today.

It says in particular: "In connection with the restoration in the Chechen Republic of the constitutional authorities — the head of the Chechen Republic, People's Assembly of the Chechen Republic, government of the Chechen Republic, and heads of district administrations — and taking into account the fact that after the formation of these authorities, the committee of national accord of the Chechen Republic and the government of national revival of the Chechen Republic have fulfilled their functions, the president of the Russian Federation has declared null and void the presidential edicts of 27 January 1995 "On Providing Conditions for the Restoration of the Constitutional Authorities of the Chechen Republic" and 23 March 1995 "On Provisional State Authorities of the Chechen Republic."

Russia: Yandarbiyev Conditions Further Talks With Moscow

LD1307132096 Moscow ITAR-TASS in English 1313 GMT 13 Jul 96

[By Andrey Palaria]

[FBIS Transcribed Text] ANKARA, July 13 (Itar-Tass) — Chechen separatist leader Zelimkhan Yandarbiyev conditioned further talks with Moscow on the strict implementation of its obligations under the May-June peace agreements and on close international control.

In his statement transmitted to the Itar-Tass Ankara office on Saturday, Yandarbiyev said that "a continuation of talks with Moscow is possible only if Russia unconditionally fulfills its obligations, if there is strict international control and U.N. mediation and those responsible for breaching the agreements are punished."

The statement followed reports alleging that he is ready to continue the peace talks with Russia started in Moscow and Nazran.

Yandarbiyev accused federal authorities of violating "the obligations laid down in these documents concerning the withdrawal of Russian troops from Chechnya, removal of checkpoints and exchange of prisoners of war."

Meanwhile, Russia's state commission for the settlement of the Chechen crisis has blamed recent provocations and terrorist acts in Chechnya on separatist leaders.

In its statement, the commission recalled attacks on checkpoints and Chechen officials, abductions of civilians, trafficking in people and hundreds of violations of the truce.

"The latest events in the Chechen republic signify the reluctance of some leaders of illegal armed formations to facilitate the peace process and fulfil the obligations reached in Moscow and Nazran," the commission said and expressed the doubt that "Yandarbiyev can control the situation."

Russia: Commission Doubts Yandarbiyev Able To Control Situation

LD1307131196 Moscow ITAR-TASS World Service in Russian 1212 GMT 13 Jul 96

[FBIS Translated Text] Moscow, 13 Jul (Itar-Tass) — The state commission of the Russian Federation for a settlement of the crisis in the Chechen republic has confirmed its adherence to the peaceful policy for resolving the Chechen crisis, which was adopted by the Russian president, and its willingness to hold talks with all the constructive forces, which are sincerely striving for peace. ITAR-TASS received the text of the statement today, which was made in connection with the recent public statements by the leaders of the illegal armed formations.

"The latest events in the Chechen republic," the state commission notes at the same time, "testify to the fact that a number of the leaders of the illegal armed formations do not wish to cooperate in the peace process, in implementing the accords reached in Moscow and Nazran. Checkpoints are still coming under fire, representatives of lawful authority in the Chechen republic are being attacked, Yusup Elmurzayev, head of administration of Urus-Martan district, has been killed. Soldiers of the federal forces, militiamen and civilians are dying. Civilians are still being taken hostage. An unprecedented trade in people is known to be taking place."

The authors of the statement recall that during the signing of the protocols in Nazran the accord on a

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ceasefire was violated more than 600 times, three major acts of sabotage were carried out on the railways and more than 30 mines exploded on the roads. "The cynicism and cruelty of the leaders of the illegal armed formations is obvious. There is some doubt about Yandarbiyev's ability to control the situation," the document stresses.

The state commission lays the responsibility for the provocations and terror in Chechnya on the leaders of the illegal armed formations. "The federal forces will put a stop to bandit sorties, terror and violence with decisive measures within the context of the accords signed in Nazran," the statement says.

Russia: Chechen Civilians Describe Federal Army Attacks on Gekhi

AU1507070696 Paris AFP in English 2147 GMT 14 Jul 96

[Report by Stephane Orjollet]

[FBIS Transcribed Text] Gekhi, Russia (AFP) — Umar Bashuyev gestured at the pathetic pile of rubble that had been his home and asked: "Can you blame me for taking up arms after this?"

In the courtyard of the block where his family lived, a Russian bomb had left a crater ten metres (yards) wide and five metres deep.

For nearly a week Russian bombers and gunnery have spread terror and desolation in this community of 13,000 souls, about 30 kilometres (20 miles) southwest of Groznyy, capital of the breakaway republic of Chechnya.

Local witnesses said a 14-year-old boy called Issa, running in a street, was shot and killed by a Russian soldier firing from the open hatch of a passing helicopter.

When the bomb hit Umar Bashuyev's courtyard, he was in a cellar with four relatives. Two died on the spot.

"We could neither get out the bodies nor bury them," he said. "It was an inhumane situation."

Everywhere, walls have collapsed and furniture has disintegrated. In a corner of a room, a cradle peeped from beneath the debris of a collapsed ceiling. The family managed to evacuate the children just in time.

Five further immense craters were seen in a plot of land 250 square metres in area.

By Tuesday morning Russian troops had arrived in the town, officially to check identity papers, but in fact to make a bee line for the home of Doku Makhayev, a known separatist leader.

The Russian news agency ITAR-TASS said Thursday that Makhayev had been killed by Russians as he tried to leave the town. But this could not immediately be confirmed.

During several hours' fighting on Tuesday, two Russian armoured vehicles were taken out and a further 20 hit as hostilities continued the next day, local witnesses said.

By Wednesday evening, all the separatist independence fighters had left the town, which was by now encircled by Russians, said Aglan Badalov, a local deputy of the pro-independence parliamentary assembly.

The remainder of the male population had been unable to escape and was rounded up at a Russian post, while a fierce aerial and artillery bombardment began.

Women and children were allowed to leave on foot only from five p.m. onwards.

One woman, Yessita Magomedova, sobbed: "They're nothing but cowards. They fired on us at long range, they smashed everything, they've ruined our belongings and our lives. And they don't care — we're just Chechens."

Yessita was evacuated at the start of the fighting and returned on Sunday to discover what remained of her home. The roof had fallen in, devastating the interior and its contents.

Even the water pump out in the yard had been destroyed.

"What am I going to do with my four children?" Yessita asked. "We can't live here any longer."

Everywhere the streets were littered with smashed glass, spent shells, broken furniture jettisoned by their owners, and burnt-out cars.

With the rumble of a renewed barrage audible from just outside the town Sunday, the more audacious locals piled up their remaining belongings on trucks, cars and carts, then fled.

People who have stuck it out here all week said the shelling ceased Saturday, but machine-gun bursts were still being trained on Gekhi on Sunday morning. Three mortar bombs fell within the town in the afternoon.

There were no immediate casualty figures, but a local police officer put the number of civilian dead this week at between 70 and 80, plus three or four rebel fighters.

The nearest hospital at Urus-Martan has taken in 88 injured, including three children and 20 wounded separatist guerrillas.

The shattered townspeople of Gheki did not even try on Sunday to comprehend the fury of fire and steel that

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has ruined their home. "It's the Russians," cried one old man. "That's the way they are, it's always like that!"

The Russian soldiers who continue to besiege Gheki seemed well aware of the extent of the damage they have inflicted.

One gave departing journalists a broad grin and called: "Well? Anything left to see in there ?"

Russia: Combat Operations Continue at Chechen Village of Makhkety

LD1507053196 Moscow Radio Rossii Network in Russian 0300 GMT 15 Jul 96

[FBIS Translated Text] Combat operations are continuing at the village of Makhkety, which is sealed off by federal forces. Yandarbiyev [leader of Chechen separatists] has his headquarters in the village. Federal forces have begun checking identity documents in neighbouring villages.

In order to facilitate the operation, Vedenskiy district is almost completely sealed off.

Russia: Military Operations Continue in Eastern Chechnya

LD1307201196 Moscow Radio Rossii Network in Russian 1900 GMT 13 Jul 96

[FBIS Translated Excerpt] [passage omitted: the village of Gekhi has been reopened after the recent military operation]

In the Chechen village of Makhkety, which was blockaded by federal forces, 14 Chechens were released after a successful operation. These Chechens had previously been taken hostage by the militants.

On Saturday the federal forces began checking passports in other villages near Makhkety. During the operation in Makhkety 25 peaceful inhabitants were killed and 160 houses were totally destroyed. These figures were given in Groznyy by a commission consisting of representatives of the executive and legislative branches of power in the republic who managed to visit the village.

Federal forces have blockaded a number of villages in Kurchaloyskiy District in eastern Chechnya. The federal forces are demanding that the local inhabitants immediately hand over their weapons.

Russia: Chechens Using Two 'Hit Lists' of People for Murder, Ransom

LD1407195696 Moscow Russian Public Television First Channel Network in Russian 1904 GMT 14 Jul 96

[From the "Novosti" newscast]

[FBIS Translated Text] The increasing use of terror by Chechen fighters against peaceful residents and also officials of the Chechen Republic is of a previously planned nature, informed sources from the federal power organizations reported on Sunday.

According to existing information, two hit lists have been compiled to which the fighters plan to work. One bears the surnames of those who have already been sentenced by the separatists to liquidation. The other shows those for whom a monetary pay-off can be obtained.

Russia: Chechen Delegation Expert Views Peace, Lebed's Role

MK1207123596 Moscow NEZAVISIMAYA GAZETA in Russian 12 Jul 96 p 3

[Interview with Salambek Maigov, chairman of the Bashlam movement, expert at the Russian-Chechen negotiations, by Ilya Maksakov; place and date not given: "A Summit Meeting Is Necessary. While Aspiring to a Respectable Peace, the Chechens Are Preparing To Continue the War"]

[FBIS Translated Text] Salambek Maigov, chairman of the Bashlam movement, cochairman of the Congress of the Vaynakh diasporas, and cochairman of the Chechen Coordination Council, took part in the Russian-Chechen negotiations in Nazran in June as an expert for the Chechen delegation.

[Maksakov] How do you assess the position of Zelimkhan Yandarbiyev? What has been his reaction to the latest developments?

[Maigov] I have met with him twice. My impression is that Ichkerian President Yandarbiyev honestly wishes a termination of hostilities and an end of the war, and he seeks a normalization of relations between Chechnya and Russia, as well as a political settlement to the conflict. But at the same time he is rather skeptical about the prospect of an early end to hostilities. This is due to the fact that the Russian side, as it did last year, is again violating the military part of the agreement. I have drawn one conclusion for myself: The Chechens, while aspiring for a worthy peace, are preparing for war. From my meetings with Ichkerian leaders I have the impression that they — and the resistance movement

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that they represent — are absolutely unafraid of the Russian Army. They are able to fight and they will fight. They do not want this, but the war is being waged on the territory of Chechnya, not someplace in Russia. The Russian Army might leave, but the Chechens have nowhere to go.

I should like to point out that this is not even about Yandarbiyev or Maskhadov. This is not a war of personalities. It is driven by contradictions over the issue of political status. Today this problem has taken a back seat while the main driving force now is the Russian soldier who bombards one village after another. Can you find a person in the world who would put up with being beaten? How can anybody be surprised then that the Chechens are offering resistance? Even if 10 Maskhadovs wanted the Chechens to lay down arms and stop their resistance, nothing would come of it. The war has become a nationwide affair for the Chechens. Members of the local defense forces are people's heroes, defenders of the fatherland. How else can you relate to people who strike against those who want to destroy them? Moreover, the Chechens position their forces in such a way that in each sector predominantly local residents are fighting.

[Maksakov] Many official Russian representatives have often stated that the separatist leadership is apparently splitting into a moderate and an intransigent part. What is the actual situation, and are their any opposing forces within the Chechen leadership?

[Maigov] There are people in the Russian leadership who uphold different approaches toward the Chechen problem: Some are called hawks while others are known as doves. Each official has his own opinion. Yet nobody is saying that the Russian Federation leadership is divided. Yes, there can be different opinions within the Chechen leadership on a particular matter. Some advocate a tougher line while others a more moderate course. But what does this have to do with division? First, if this was really so, it would be impossible to talk about any organized resistance to the Russian Army. Second, today many insist that the people to talk with are Yarikhanov or Maskhadov. A particular politician could be more or less popular but the power levers are in Yandarbiyev's hands. He is president under the Constitution. You could say that Lebed is more popular than Chernomyrdin or that Yavlinskiy is more popular than Mikhaylov. But Yavlinskiy has no executive clout at all. It could also be stated that Basayev is popular, well-known, and irreplaceable. But this does not mean that he can address matters that come under the leader's purview.

[Maksakov] During the presidential elections in the Russian Federation and elections to the National Assembly of the Chechen Republic, you were in Chechnya. How did they proceed, and why did the resistance leaders react rather calmly to them?

[Maigov] The hypocrisy of the so-called head of the Chechen Republic, Zavgayev, is amazing. According to him the turnout in the Chechen elections was the highest in Russia. In fact there were no elections in Chechnya. At the negotiations in Nazran, the Chechen delegation insisted that the question of elections be discussed. But those elections were so ridiculous that nobody paid attention to the violation of one point of the Nazran agreement whereby elections were to be held after the pullout of [Russian] forces. This farce, far from consolidating Zavgayev's position, showed his inconsistency. Nowhere in Chechnya were the elections held in conformity with the norms of international law or the Russian Federation Constitution. It is absurd when a candidate deputy is an unknown. The voters did not know who their candidate was, which was done to ensure the security of the latter.

On the whole, today there is a diarchy situation in Chechnya; while what this means to the ordinary man is anarchy. Ichkerian law enforcement agencies, including the State Security Department, operate in mountain areas. As concerns the Chechen militia, it for the most part protects the population against the arbitrariness of the Russian Army rather than expressing Zavgayev's political will. [Russian] servicemen at checkpoints engage in extortion and violence. This, however, does not happen in areas where Chechen militiamen are present.

[Maksakov] What would be the fallout from the current exacerbation of the situation in Chechnya?

[Maigov] The bombing of Gekhi and Makhketa is, without a doubt, an attempt to thwart the peace process. You can be certain that the Nazran agreements had no serious prospects, but pursued purely electoral political objectives. This will finally become clear if there is no summit meeting in the foreseeable future. I would expect a meeting of four people: Viktor Chernomyrdin and Anatoliy Kvashnin on one side, and Zelimkhan Yandarbiyev and Aslan Maskhadov on the other. There could also be a more expanded meeting, but it is vital to upgrade the level of the negotiations.

It is hard to understand the position of Gen. Tikhomirov who put his signature on the peace agreement between the government delegations of Ichkeria and Russia on the renunciation of the use of force. But Tikhomirov flouts it. He cites the presence, in Gekhi, of a detachment of resistance fighters as justification for the bombardment. But, excuse me, with whom did you sign the

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agreement in the first place? With a warring side. If that is the case, there was no need to send a delegation including Mikhaylov and Stepashin. Tikhomirov alone would have been enough. There was no need for Yeltsin and Yandarbiyev to meet in the Kremlin. What right did Tikhomirov have to issue an ultimatum? Maskhadov told me that he will probably never meet with Tikhomirov again because he is thwarting the negotiations. He can invite his counterpart to come to Khankala without ensuring a safe passage, but he refuses to meet on neutral territory. For further contacts, the Chechens find Gen. Kvashnin quite an acceptable figure.

[Maksakov] How do people in Chechnya appraise the prospect of Aleksandr Lebed being involved in the settlement process?

[Maigov] Lebed's political career and his peacekeeping mission in the Dniester region showed him as a person of integrity, courage, and responsibility; one who knows how to achieve his objective, and who seeks to do society good. Of all Russian politicians making statements on Chechen issues, people in Chechnya give the most serious attention to Lebed. I saw field commanders and fighters waiting for and listening to Lebed because they believe that he is a can-do man. In their time statements by Grachev were not taken seriously because that man could say "yes" today and "no" tomorrow. Aleksandr Lebed is the antipode to Grachev. Therefore many are waiting for moves by Lebed who has often highlighted the need to use peaceful political methods in resolving the Chechen issue; who, as a military man, has said that it is impossible to stop the war as long as the belligerent sides are in contact.

Why is the pullout of troops so feared? After all, they are being evacuated not to the moon but pulled back to a distance of between 100 and 200 km. This happens at a time when Chechnya is demilitarizing itself and making its democratic choice. Let the republic make its own choice. If it wants to stay within the Russian Federation, the people must be consulted. Zavgayev claims that he is supported by 95 percent of the population. Let him prove this without the presence of Russian troops. I guarantee that if Zavgayev wins this election — and, according to him, there is "no doubt" about this — then Maskhadov and Yandarbiyev will submit to his will because he will then become a national leader. I am surprised that Zavgayev is missing such an opportunity. He has no match. Ninety-five percent: Whoa, way cool!

Russia: Renewed Fighting in Chechnya Viewed

MM1507131596 Moscow PRAVDA in Russian 13 Jul 96 p 1

[Article by Nikolay Kozhanov under the "'Burning' Topic" rubric: "'One Day Near Gikhi [Gekhi]....'"]

[FBIS Translated Excerpt] [passage omitted] So, when the echo of the president's public preelection assurances about "victory" and "the end of the war" has still not subsided we are once again seeing television pictures of burning villages and blown-up armored vehicles, and operations summaries once again mention places taken two or three times by federal forces — Gekhi and Urus-Martan, Makhkety and Vedeno, Bamut and Orekhovo....

What exactly is now preventing the implementation of the accords achieved with such difficulty in Moscow and Nazran on a cease-fire, on the withdrawal of troops and the disarmament of gunmen, and on an exchange of prisoners and forcibly detained persons? Now both opposing sides are vying with one another to accuse each other of treachery. For example, since the accords on a peace settlement were signed in Moscow General Tikhomirov, commander of federal forces in Chechnya, has counted 580 violations by Dudayev's supporters of the no-shooting agreement, as a result of which 47 soldiers and officers have died and over 200 have been wounded. In turn the separatists are citing the continuing bombardments and "mopping up," the failure to implement the point about postponing parliamentary elections in Chechnya, and the fact that the troop withdrawal has actually been stopped, just like the agreed scrapping of checkpoints.

Currently there is no point in guessing who is more right in this dispute. Practically from the outset of the Chechen conflict it was clear to any unbiased observer that the opposing sides' aims are absolutely incompatible and that the demand for "complete independence" for Chechnya-Ichkeria in no way fits in with the concept of Russian territorial integrity while the level of limited sovereignty like Tatarstan's completely fits in with the current Zavgayev regime's, leaving no room for the separatists with their armed formations and excessive political ambitions. That is why the visits to Moscow by both Nazran and Yandarbiyev, like the previous "peace" experiments by Volskiy, Romanov, and Maskhadov, have essentially been used by each side merely to solve its own problems. For the Kremlin these were the attempts to show the Russian position in Chechnya in the best light to the West and on the threshold of the presidential election. For the separatists they were to prevent a complete military rout, to get their strength back, and to regain control over lost territory.

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In this case moral, ethical, and humanitarian motives are by no means of paramount concern to either side. That is why for the sake of winning the election our supreme commander in chief, without thinking it through, is making his own soldiers face the gunmen's bullets while forbidding them to return fire. That is why after raiding federal positions Dudayev's field commanders consolidate themselves in large settlements, hiding behind civilian inhabitants, so that later they can cry out to the whole world about the cruelty of the "Russian aggressors." [passage omitted]

In short, the election is behind us but the war continues. The cannonade near Gekhi is not subsiding. Shells are exploding in the streets of the settlement of Makhkety, where Yandarbiyev's headquarters used to be located, and around Shatoy, which was apparently "pacified" a long time ago. According to reports from the military Dudayev's regime is calling its last reserves — youths aged 12-14 years — to arms, throwing them in to face the federal forces' bombs and rockets, dooming its own people to genocide.

For what?

Russia: Moscow Mayor Luzhkov Names First Deputies

LD1207143296 Moscow INTERFAX in English 1338 GMT 12 Jul 96

[FBIS Transcribed Text] MOSCOW, July 12 (Interfax) — Moscow Mayor Yuriy Luzhkov, recently reelected by an overwhelming vote, named four first deputies at a closed meeting of the government Friday.

The meeting dealt with changes in the structure of the Moscow executive.

Boris Nikolskiy, in charge of the city infrastructure, was named "first among the first deputies," a participant of the meeting told Interfax.

Other first deputy Moscow prime ministers are: Deputy Mayor Valeriy Shantsev, in charge of social security issues, Vladimir Resin, in charge of development prospects, and Oleg Tolkachev, in charge of the economic policy and issues relating to property and land.

For the first time after the June 7 attempt on his life, Shantsev attended a working meeting of the Moscow government. He had received numerous wounds and burns as a result of an assassination attempt.

According to the source, Aleksandr Belyayev, first deputy head of the Central administrative district of Moscow will now head the Southern district, formerly headed by Shantsev.

At the meeting Luzhkov announced the resignation of head of the Northwestern district Valeriy Parfenov. It is not yet known who will take his place, said the source.

According to him, the formation of the new Moscow government is to be completed by Monday and announced the next day.

The changes in the structure of the government on the whole reflect Luzhkov's proposals, said the source.

Russia: 'Novosti' Reports on Pacific Fleet Training Exercise

LD1207162096 Moscow Russian Public Television First Channel Network in Russian 0500 GMT 12 Jul 96

[From the "Novosti" newscast]

[FBIS Translated Text] For the first time, ballistic missiles were launched during the command and staff exercises on the Pacific fleet. [Correspondent Mikhail Voznesenskiy] The command and staff exercises usually mean a war on maps. But here everything was as if in a real combat situation. The headquarters were moved to underground bunkers. A ship for telemetry was at sea. Atomic submarines took their positions, and ballistic missiles were launched from three points in the depth of the ocean. The launch was according to the plan, successful and almost simultaneous. They could have been fired in salvo, but the task was better to control the fall of the training warheads onto a testing site of the Northern fleet. This missile firing was worth quite a lot. I am not talking about a lot of money only, and not about a lot of effort on the part of the naval forces. This event that used to be quite an ordinary one has now caused a noticeable uplift at the fleet because people see this as a good omen that the reorganization is over. It lasted too long, and to be more exact, it meant cuts in the Navy.

Practically since 1993 the Pacific fleet has not fired its main weapons. Two generations of soldiers have been transferred into the reserve without having had this training. What is even worse, there were submarine commanders who have never fired this equipment. Now, the servicemen on the submarines are spreading their wings. After they had returned to their bases, the crews were awarded by their commanders. The firing was devoted to the 300th anniversary of the Russian Navy.

The reaction in the world is quite calm. In line with the SALT-II treaty, the United States has been advised in good time. People at sea have also been informed. Numerous foreign observers from the sea and the air were quite polite this time and did not interfere with the firing as it used to be in the past. [video shows

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atomic submarines, control room, missiles, soldiers at work, port, mooring, an aircraft, ships at sea]

Economic Issues

Russia: Yeltsin's Main Economic Tasks Assessed

MS1207102396 London FINANCIAL TIMES in English 11 Jul 96 p 16

[letter by Vladimir Reznichenko, of Russian Information Agency [RIA]-Novosti: "Yeltsin Must Not Allow Russian Reform Drive To Falter Again"]

[FBIS Transcribed Text] Sir, Indeed, as your editorial ("Boris Yeltsin's famous victory", July 5) [not filed] stated, July 3 provided a "famous victory" for the Russian president. The road of transformation has now been cleared of all obstacles and Russia has one more chance to progress towards a civilised and prosperous society.

It is only natural that the uncertain political situation has been affecting Russia's economic performance. Now that the choice between democracy and a return to communism has been decided in favour of the former, the country can concentrate on its economy and try and attract major investment.

Clearly the feeling of impending doom has not swept the whole of society. Recent hardships notwithstanding, Russians spoke up in favour of socio-economic transformation and against a return to the totalitarian past. The main task for the president and his followers is to back up the reform results of the vote with practical political, social and economic steps to make Russia's transformations of the past decade truly irreversible.

The young Russian democracy dealt two heavy blows at totalitarianism: in August 1991 and October 1993 when the opponents of the reform drive appeared to have been crushed.

But the authorities proved to have been too lenient, failing to push home the advantage and allowing the reform drive to falter. This must not happen a third time.

At the same time, the president cannot avoid taking decisive steps to consolidate a nation that is split. Should the legitimate interests of those who voted for Gennady Zyuganov not be met, Russia will surely never live to see a durable social peace.

Russia: Livshits Outlines Post-Election Economic Priorities

MM1207110996 Moscow ROSSIYSKIYE VESTI in Russian 11 Jul 96 p 1

[Undated statement by Aleksandr Livshits, Russian Federation presidential aide on economic matters: "Boris Yeltsin Does Not Waste Words. Aleksandr Livshits, Russian Federation Presidential Aide on Economic Matters, Discusses Decisions Which Are Being Prepared To Fulfill Election Promises"]

[FBIS Translated Text] Though the future government is still being formed and its plan of action is in draft form, it is already clear that a new direction in economic policy is imminent which we will have to follow together with the new cabinet. The uncertainty of the preelection period and the rabid criticism of Yeltsin's program, along the lines of the "quarrelsome wife" who finds fault with everything, has given rise to uncertainty among many of those with a part to play in the economy. A fall in tax collection, an increase in the budget deficit, and a fall in production and investment activity have occurred. In short, the election drama did considerable damage to the economy and politics is heavily in debt to it.

These problems can be rectified and if there are no sudden jolts they will be put right. In spite of the great number of macroeconomic problems, I consider that our main task now is to unfailingly fulfill the president's promises. We will begin with wages. It appears that order has been restored in the budget-funded sectors. We managed to appropriate the money in time, although it is no simple matter to find 8-9 trillion rubles [R] a month. Things are worse as regards pensioners. On July 1 the Pension Fund deficit was R7 trillion. The measures taken earlier, as we see, had no effect. Therefore, the president is presently examining a set of measures to redistribute the federal budget to the benefit of the Pension Fund. Partly at the expense of the Employment Fund. Deductions from the salaries of the wealthy into the Pension Fund will be increased. All this will provide the R7 trillion required, perhaps even more, but such a decision is not the whole answer. It is necessary to set about reforming the pension system, with the emphasis on nonstate pension funds.

The president is continuing to fulfill one of his promises — to pay compensation for devalued Savings Bank deposits. Those who were born between 1917 and 1921 will receive compensation by the end of 1996. An edict on this is in preparation.

The draft of another edict targets investors who have been swindled in financial pyramids. In accordance with

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it, all pyramids that have collapsed will either be forced to return people's money or become share investment funds [payevoy investitsionnyy fond].

But what about inflation? Just recently the reduction of the inflation rate was the cornerstone of economic policy. For this very reason it seems that by December we will arrive at a 1.5-2-percent inflation rate. (Here we have to give the Central Bank its due — it did an excellent job in keeping it down during the preelection period.) From now on low inflation rates will not be the main aim of economic policy but rather a mandatory condition of it. We will not agonize over a tenth of a percentage point.

Much more important since the moment of victory has been an increase in investment activity, and following on from it an increase in production. We can confidently assume that there will be no great increase for six to 10 months. Internal sources for investments are too thin on the ground. Therefore, it is necessary to set the realistic task for the next six months of removing barriers in the way of investment and creating a sure launching pad for it. Of course, it is extremely small given the present state of the budget. We will have to look to the foreign private investor. It is better to borrow from foreigners than from our own people. The president is in favor of increasing the volume of foreign investments to $10 billion this year, of which the majority will be invested through securities.

It is necessary at the same time to resolve the problem of budget contributions — to work with major defaulters on an individual basis, totally abolish all the different tax concessions, and then possibly reduce, on an experimental basis, the tax burden for those who are conscientiously contributing to the budget. It is expected that the position of "shuttle traders" will change. The president has already once rejected a draft edict on their taxation, but after it has been finalized he will sign it. As expected, the changes in the taxation of "shuttle traders" will not reduce the volumes of imported goods but will provide contributions to the budget.

A new step will have to be taken along the road to privatization. Not in order to provide budget contributions but to increase production at privatized enterprises. Almost everywhere now their level of financial management is highly unsatisfactory. That is why profits are eaten up, there is no investment activity, and no development in production. What is to be done? Obviously, the blocks of shares in federal ownership should be used in order to exert an influence. They should not necessarily be sold. Putting them in trust or using them as surety may be very effective.

Russia: Chernomyrdin Addresses State Commission for Social Reform

LD1207150296 Moscow INTERFAX in English 1441 GMT 12 Jul 96

[FBIS Transcribed Text] MOSCOW, July 12 (INTERFAX) — The Russian State Commission for Social Reform should concentrate on working out effective and realistic measures in order to raise living standards in the country, the commission's chairman, Russian Prime Minister Viktor Chernomyrdin, said at the commission's first session on Friday.

He urged the commission to "search for unusual solutions" to problems regarding housing policy, culture, health care and education.

The state commission should closely interact with both chambers of the Russian parliament, Russian trade unions and organizations of employers, Chernomyrdin said.

The final product of this activity should be a program "based on public-and-political consensus," he said.

Among priorities of the social reform for the period until the year 2000, he cited raising the income of the least well-off categories of the population and "liquidation of massive poverty."

Another important task is to prevent massive unemployment and secure an optimum level of employment, those at the session said.

During the first stage of the social reform it is necessary to focus on paying off pensions and social allowances, increasing the wages of public sector employees and supplying the population with affordable medicines, those at the session said.

Russia: Yeltsin Edict Names Additional Sources of Pension Funds

MM1507094796 Moscow IZVESTIYA in Russian 13 Jul 96 p 2

[Report by Aleksandr Zilbert: "President Yeltsin Sends 'Urgent Payment' to Pensioners"]

[FBIS Translated Text] Until recently nobody knew just what the edict "On Urgent Measures To Ensure the Timely Payment of Pensions," the draft of which has spent several days on the president's desk, would be like. And now the document has been signed.

According to presidential aide Aleksandr Livshits, this is a very strong edict, but it only solves the problems of the first phase (the stabilization of the current pension provision system); still to come is the second

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and revolutionary stage linked with the transition to a fundamentally new system of pension provision.

But what about today? What urgent measures is the president proposing?

"First, that an additional 2 trillion rubles [R] be allocated from the federal budget in compensation for the payment of state pensions and benefits," Arkadiy Solovyev, chief of the Pension Fund Main Economic Administration, said, commenting on the edict. "The Pension Fund should receive this money from the funds allocated by the budget for state investment. Second, the edict envisages the drawing up of a law under which employers' total payments to the Pension Fund will be increased by 1 percent. In the event of the law being adopted, the Pension Fund will obtain another R1.9 trillion in the second half of the year. And, finally, a new differentiated approach to insurance contributions levied on working citizens under the principle of 'rich people, share with pensioners' is envisaged. According to our calculations, this will yield approximately an extra R3 trillion."

The edict is based on real sources for funding pension provision. But the State Duma is going its own way. It has given a first reading to another law raising the minimum pension as of 1 August from R69,575 to R95,320. This draft law confuses many economist deputies. After all, it is entirely unclear where the money to back up this law will come from.

Russia: Industrial Output Drops 4 Percent Jan-Jun 1996

LD1507090796 Moscow INTERFAX in English 0845 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (INTERFAX) — Industrial production dropped by 4 percent in the first half of 1996 from the same period of 1995 when the decline was 3 percent.

Industrial output fell to 618 trillion rubles in current prices in the first half of the year, according to the State Statistics Committee.

In June 1996, industrial output was 0.6 percent lower than in May and 8 percent lower than in June 1995 when it had grown by 2 percent over May of the same year and exceeded the June 1994 level by 0.1 percent.

Production decline was greater at large and medium-sized enterprises, where output dropped by 7 percent from the first six months of 1995.

The situation was even worse in the textiles industry and in the production of construction materials, where output fell by 26 and 25 percent over the first half of 1995 respectively.

In the chemical and petrochemical industry, machine-building, forestry, wood-working and cellulose and pulp-and-paper industries the decline was 12-16 percent.

In the food industry, production dropped by 5 percent, in ferrous and non-ferrous metallurgy by 3 percent and in the fuel sector by 2 percent.

The power industry was the only sector which reported growth in the first half of 1996 — 0.9 percent over the same period last year.

Energy production exceeded the January-June 1995 level by 0.7 percent and heat production by 3 percent.

Russia: Brokers Expect 'Radical Changes' on Securities Market

LD1507082496 Moscow INTERFAX in English 0813 GMT 15 Jul 96

[FBIS Transcribed Text] MOSCOW, July 15 (FIA-INTERFAX) — Russian brokers expect radical changes on the securities market as the decline in quotations in the middle of last week was followed by stabilization and even some growth in the value of less liquid securities.

Experts of the Analyze investment company expect quotations of the most liquid shares to grow on Monday. However, another investment company, Prospekt, predicts a further sharp drop in the value of shares in the near future.

Analysts of the investment company Guta-Invest noted that on July 12 Russian brokers tried to destabilize the market, first by forcing prices down, then up. But in the second half of the day the value of some securities began to rise.

As a result, on July 12 the Interfax combined ruble index dropped by 2.36 percent from the previous session, stabilizing at 227.13.

The dollar index fell by 2.03 percent on Friday, closing at 202.65.

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International Affairs

Ukraine: Kiev Announces Plans for Kuchma-Gore Commission

LD1207174896 Moscow INTERFAX in English 1638 GMT 12 Jul 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] KIEV, July 12 (Interfax - Ukraine) — Assistant U.S. Secretary of State Strobe Talbott and James Collins, coordinator of aid to the newly independent states, are expected to come to Ukraine for a working visit in mid-July, Ukrainian Foreign Minister Hennadiy Udovenko told journalists in Kiev.

He was reappointed as foreign minister by President Leonid Kuchma Thursday. Under the new Ukrainian Constitution, the president can appoint certain ministers without parliament's approval.

According to Udovenko, during the visit the sides will discuss a broad range of issues relating to the U.S.-Ukrainian relations.

In particular, he said consultations are currently under way on the creation of a "Kuchma-Gore commission" akin to the U.S.-Russian Gore-Chernomyrdin commission.

The parameters of the commission's work will be a subject on the agenda of the upcoming talks, said Udovenko.

In addition, he said the sides are discussing his possible visit to Washington in early September.

According to Udovenko, he would not tie his visit to the work of the U.N. general Assembly session, where "all bilateral meetings are held somewhat in transit." He said Kiev wants to organize a full-fledged working visit.

Commenting on the situation with U.S. sanctions against countries developing trade with Cuba, Udovenko said they must not be applied against Ukraine.

At the same time he said the Ukrainian Foreign Ministry together with the IMF will study the situation once again.

Ukraine must not take any side in this conflict but carry out its own policy aimed at the development of relations with Cuba, said Udovenko. "We are not taking any anti-American measures in this connection," he said.

Ukraine: Yeltsin Invites Kuchma To Attend 9 Aug Inauguration

WS1507093596 Kiev INTELNEWS in English 0050 GMT 12 Jul 96

[FBIS Transcribed Text] Kiev, July 10. President Leonid Kuchma received an invitation to the inauguration of Russian President Boris Yeltsin scheduled in Moscow Aug. 9. According to Kuchma's spokesman Dmytro Markov, the question whether Kuchma attend the ceremony hasn't been resolved because it's the President's birthday.

Ukraine: Latvian, Ukrainian Foreign Ministers Sign Protocol in Kiev

LD1207195696 Kiev UNIAN in Ukrainian 1630 GMT 12 Jul 96

[FBIS Translated Text] Kiev — Ukrainian Foreign Minister Hennadiy Udovenko and his Latvian counterpart Valdis Birkavs today signed a protocol on exchange of the instruments of ratification between Ukraine and the Republic of Latvia as regards the Ukrainian-Latvian treaty on legal assistance and legal relations in civil, matrimonial, labor, and criminal affairs, and also as regards a joint statement by the two countries' foreign ministers.

Udovenko thanked Latvia for support it gave to Ukraine at international forums.

Replying to journalists' question on NATO's expansion and Latvia's accession to the alliance, Birkavs said the process was connected with the development of a European security system and will depend, in particular, on the process of restructuring within NATO and on the NATO-Russia dialogue. He also said that it will be impossible for Latvia to join NATO before the year 2000. Birkavs said there were no differences between Latvia and Ukraine on the issue of NATO's expansion.

Commenting on the proposal by Oleksandr Tkachenko, first deputy chairman of the Supreme Council of Ukraine, that Ukraine and Latvia should set up a customs union or join the CIS customs union, Birkavs said: "I see Ukraine and Latvia in the one and only customs union — the European Union."

Ukraine: Kuchma Favors More Active Economic Relations With Latvia

LD1207195996 Kiev UNIAN in Ukrainian 1630 GMT 12 Jul 96

[FBIS Translated Text] Kiev — Ukrainian President Leonid Kuchma said at a meeting with Latvian Foreign Minister Valdis Birkavs today that mutual relations between Kiev and Riga had become dynamic and were

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developing successfully. "I am particularly pleased with the fact that Latvia and Ukraine are aware of the future and, moving toward it, are demonstrating their readiness to overcome the existing problems jointly," he said. Kuchma said Ukraine was keen to step up bilateral economic ties. Evidence of this is the fact that Ukraine ratified agreements on free trade and avoidance of double taxation. The president said he "considers it necessary to raise the status" of the Ukrainian-Latvian Commission for Cooperation.

The Latvian foreign minister said his country was focusing on economic relations. He told Kuchma that an institute of economic attaches had been established in Latvia and the first of its graduates will soon join the Latvian embassy in Ukraine.

Kuchma thanked the Latvian Government for the invariable support it gave to Ukraine on the international scene.

A number of international and regional issues were discussed at the meeting.

Ukraine: Latvian Foreign Minister on Nuclear Free Zone

LD1207151796 Moscow INTERFAX in English 1240 GMT 12 Jul 96

[FBIS Transcribed Text] KIEV, July 11 (Interfax - Ukraine) — Latvia views essentially in a positive light the Ukrainian proposal that a nuclear-free zone be set up in Central and Eastern Europe, Valdis Birkavs, Latvian foreign minister staying in Kiev for a two-day official visit, told Interfax - Ukraine Thursday. Ukraine and those who support this idea are in for a time of great trial, he warned. Such issues need in-depth analysis, Birkavs said.

The setting up of such a zone has a lot to do with the plans of NATO enlargement. NATO has declared its intention not to deploy nuclear weapons in its new member nations but NATO documents say unambiguously that there is a nuclear umbrella over all its members, he explained.

Nevertheless, the Ukrainian idea is "fairly interesting and calls for a discussion leading to the creation of a more stable Europe," Birkavs said.

Ukrainian Foreign Minister Hennadiy Udovenko has said that his ministry is now drafting letters to foreign ministers of NATO member nations and the countries wishing to join the alliance "in order to explain our position."

Ukraine: Kiev Becomes Member of 'Wassenaar Arrangement'

LD1307085596 Kiev Radio Ukraine World Service in Ukrainian 0500 GMT 13 Jul 96

[FBIS Translated Text] Ukraine has become a member of the Wassenaar Arrangement on Export Controls for Weapons and Dual-Use Technologies. It was admitted to this organization as a founding memberstate at a constituent sitting in Vienna on 11 July.

The Wassenaar arrangement is a new international regime which is being set up on the basis of the former Cocom [Coordinating Committee for Multilateral Export Controls] and which is called to promote a coordinated policy of export controls for weapons and dual-use goods and technologies.

National Affairs

Ukraine: Lazarenko: Full Government To Be Formed by 1 Aug

LD1207132296 Kiev UNIAN in Ukrainian 1000 GMT 12 Jul 96

[FBIS Translated Text] Kiev — The new make-up of the Ukrainian Government will be formed in full by 1 August, Ukrainian Prime Minister Pavlo Lazarenko said on 12 July during a meeting with Latvian Foreign Minister Valdis Birkavs.

Lazarenko conceded that it was necessary to relax somewhat the tough monetary policy that Ukraine is adhering to.

The Ukrainian prime minister said that inflation was now under control. At the same time, in his words, the payments crisis in Ukraine is deepening and there is a hidden budget deficit of 1.7 quadrillion karbovantsi, while the wage debt amounted to about 300 trillion karbovantsi.

Lazarenko expressed the hope that, owing to a range of measures that had been adopted by the government, the payments crisis will be less severe in mid-August.

Ukraine: Kuchma, Moroz Sign New Constitution

LD1207140496 Moscow INTERFAX in English 1348 GMT 12 Jul 96

[FBIS Transcribed Text] KIEV, July 12 (Interfax-Ukraine) - Ukrainian President Leonid Kuchma and Parliament Chairman Oleksandr Moroz signed a new Ukrainian Constitution at a ceremony in Kiev Friday.

After the signing Kuchma called on all political forces and citizens to achieve mutual understanding and peace for the sake of the country's future. He said he is

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"prepared for dialogue and cooperation with all for whom Ukraine's destiny is the main priority."

The new constitution, approved on June 28, leaves no grounds for political struggle and lays the basis for cooperation between all the branches of power, said Kuchma.

The constitution means that the country will have definite and predictable domestic and foreign policy, creates an atmosphere for the development of international cooperation and improves the investment climate, he said.

According to Kuchma, "large-scale social changes are not a simple process, but there is no other way except moving forward."

He said he realizes that the current measures do not add to his popularity but "it is very necessary to preserve a normal, stable social situation" and increase energy, discipline and responsibility. "I cannot make populist decisions," said Kuchma.

Parliament speaker Moroz described the approval of the constitution as "the logical end of a very difficult constitutional process."

The signing ceremony was attended by government members, parliament deputies, presidential administration officials and representatives of the diplomatic corps.

Ukraine: Supreme Council Adjourns Until September

LD1207181996 Kiev UNIAR in Ukrainian 1550 GMT 12 Jul 96

[FBIS Translated Text] Kiev — The regular fifth session of the Supreme Council of Ukraine ended on 12 July. To wind up the session, people's deputies resolved an organizational issue by passing a resolution "On dismissing Oleh Dyomin from the post of deputy chairman of the Supreme Council of Ukraine, at his request". The decision is connected with the fact that Dyomin has been performing the duties of chairman of the Kharkov region state administration since May.

Ukrainian President Leonid Kuchma, Prime Minister Pavlo Lazarenko, and all members of the Cabinet of Ministers took part in the final events at today's plenary sitting.

Chairman of the Supreme Council Oleksandr Moroz made a concluding speech. "The current composition of the Supreme Council has reached a new level in terms of quantity and quality. By adopting the constitution, the Supreme Council performed its historic mission," Moroz said.

He thanked President Kuchma for the fact that he acknowledged as erroneous his own statements casting doubt on the abilities of the Supreme Council. "This befits the president of such a great power as Ukraine," Moroz said.

Then Moroz dwelled on the tasks facing the sixth session. In the political sphere, this is the task of stepping up the process of formation and consolidation of political parties. Therefore, the sixth session should adopt the law "On political parties" and "On the election of people's deputies". As far as the economic aspect is concerned, the Supreme Council and the Cabinet of Ministers should unite efforts to overcome the economic crisis. Taxation laws should be adopted, first and foremost. Besides, the government and parliament are facing the task of drawing up a well substantiated state budget for 1997 and ensuring its implementation. Moroz wished [Prime Minister] Pavlo Lazarenko and the government to abide by laws adopted by parliament more conscientiously, and also added that the sixth session would see structural reorganization of the Supreme Council and its apparatus, the number and composition of the parliamentary committees (currently commissions) being also revised.

Then the eldest people's deputy, Ihor Yukhnovskyy, read out the text of the oath of allegiance, which other deputies were repeating after Yukhnovskyy: "I swear allegiance to Ukraine and pledge to defend Ukraine's sovereignty and independence by all my deeds, to care about the prosperity of the Fatherland and the weelbweing of the Ukrainian people. I pledge to abide by the Ukrainian constitution and laws and to perform my duties in the interests of my compatriots."

The Ukrainian anthem was played after the deputies had sworn allegiance and the fifth session of the Supreme Council of Ukraine was over.

Each deputy put his signature to the text of the oath of allegiance.

The Supreme Council of Ukraine will begin its sixth session at 0900 on Tuesday, 3 September.

Ukraine: Kuchma Issues Edict on Laws, New Constitution

LD1307145796 Kiev UNIAN in Ukrainian 1300 GMT 13 Jul 96

[FBIS Translated Text] Kiev — Ukrainian President Leonid Kuchma has issued an edict "On Urgent Measures Connected With the Adoption of the Ukrainian Constitution." Under the edict, the Cabinet of Ministers of Ukraine, the president's administration, the Crimean government, and local state administrations — in cooperation with the National Academy of Sciences of Ukraine and other scientific and research institutions and

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higher schools of learning, and with the participation of the mass media — should organize extensive work on explaining the new Constitution and the procedure for the implementation of its provisions.

The press service of the president's administration has told UNIAN that the Cabinet of Ministers of Ukraine should, by 1 January, bring the government's enforceable enactments and legal acts into line with the Constitution and draft and submit for consideration by the Supreme Council laws on the Cabinet of Ministers of Ukraine, the Ukrainian capital, and on the city of Sevastopol. Within three months the president's administration should submit its proposals on bringing the Ukrainian president's acts into line with the Constitution and draft laws on regional and district state administrations by 1 October.

The Ministry of Justice of Ukraine should, by 1 December, put forward proposals on declaring Ukrainian laws that either lost their validity or need to be amended.

Under the edict, a commission for coordinating measures to put into effect the new Ukrainian Constitution will be set up under the Ukrainian president. Prime Minister Pavlo Lazarenko should submit proposals on the membership of the commission within 10 days.

Ukraine: Kuchma To Step Up Offensive Against Crime, Corruption

LD1407165296 Kiev Radio Ukraine World Service in Ukrainian 1200 GMT 14 Jul 96

[FBIS Translated Text] Two years have passed since Leonid Kuchma was elected president of Ukraine, and it would be only logical now to sum up one thing and confirm another.

I will not give up my program for combating organized crime and corruption, the Ukrainian president told an expanded session of the collegium of the Prosecutor General's Office of Ukraine.

I would like to remind you that the collegium was considering the work done in the first six months of the year, to raise the efficiency of prosecutor's supervision over the abidance by law in various spheres of our life. Our correspondent, Yevhen Hryshankov, attended the session.

[Hryshankov] To open the session of the collegium, Ukraine's Prosecutor General Hryhoriy Vorsinov delivered a one-hour-long speech in which he described the activities of his office as poor, in general terms, although there were some changes for the better, of course. For example, the number of uncovered instances of violation of law has increased by about 33 percent in the first six months of the year. As much as 40 trillion karbovantsi, $11 million, and 2 million German marks has been returned to the state, following inspections carried out by the prosecution bodies.

Taking into account the socioeconomic tasks that are being implemented by the state, the participants in the session outlined priority trends in the activities of the Prosecutor General's Office: To consolidate cooperation with the militia, the Security Service of Ukraine, and judicial bodies in order to establish law and order in the country; to eradicate growing crime in the army; and to establish order on the border, where the number of instances of smuggling and racketeering is not decreasing. The state needs to be reliably protected where it comes to the abidance by law in the economic, financial, and privatization spheres.

Corruption and organized crime also leave their sad mark on our life. Therefore, the discussion at the collegium of the Prosecutor General's Office, in view of all this, was principled and, I will even say, tough.

Ukrainian President Leonid Kuchma spoke to the collegium. Here is an excerpt from his speech.

[Begin Kuchma recording] There is no doubt that the prosecution bodies are doing a lot to protect citizens' rights and the interests of the state. However, the situation requires additional efforts to consolidate law and order and raise the efficiency of the prosecutor's supervision.

I am not going to deviate from my stand as regards the need to step up the struggle against organized crime in a comprehensive manner. I would like us to be fully like-minded as far as this issue is concerned.

At a conference of representative of the power-wielding bodies at the beginning of June this year, the Ukrainian president described in a negative the work done to combat economic crime. There is no end of work to be done in this sphere, as they say. Embezzlement and abuses in all spheres of the national economy, the hiding of earnings in hard currency, financial swindling, and tax dodging are contributing to the deepening of the payments crisis and the growth in the wage debt. This is our main evil today. Hence, not only the crime rate, but also social tensions are growing in the state. Therefore, I want you to understand and admit that you are partially to blame for the current state of affairs. I have in mind not just prosecutors, but the esteemed members of the presidium who are present here. This refers, first and foremost, to the employees of the tax service. Personally, I have actually decided to withdraw this body from the Ministry of Finance and turn it into a state agency accountable to the state.

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Protection of citizens' rights and freedoms remains a priority trend in the activities of the prosecution bodies. Therefore, to ensure that the principle of equality of all citizens before law is abided by becomes the task of paramount importance. The reform of the judicial system is so far at a standstill. Therefore, the prosecutor should continue to protect the constitutional rights of citizens and the interests of the state, exercising the rights vested in him for that purpose.

Despite the extremely complicated state of the economy and significant budgetary difficulties, the Ukrainian president and government are trying and will continue trying to meet the interests of the Prosecutor's Office. [end recording]

Ukraine: Government Issues Statement on Miners' Strikes

LD1207215396 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 12 Jul 96

[FBIS Translated Text] The press service of the Cabinet of Ministers of Ukraine issued a statement on 12 July in connection with the wave of miners' strikes which has swept over the Donets coal basin in the past few days.

The government fully understands and agrees with miners' fair demands that they should receive the wages which they earned working hard underground, the documents says, in particular. Owing virtually nothing to miners, the Cabinet of Ministers is fulfilling its obligations concerning the priority financing of the coal industry and rendering it state support. A program for urgent measures to carry out structural reorganization and ensure financial recovery of the industry is being carried out for that purpose. In particular, despite the dire financial situation, 65,000 billion karbovantsi were allocated from the 1996 state budget to ensure that miners met coal production targets. During the six months of the current year, the government settled accounts with miners by making all the allocations envisaged by the budget.

However, this did not make it possible to solve the question of paying miners' wages in full. The causes of the crisis are multifaceted, but one should look for them mostly in the regions. Obviously, they will be revealed soon. A government commission, led by First Deputy Prime Minister Vasyl Durdynets, is now working in Donbass. It is studying the situation at each mine where the extraction of coal was stopped.

During a working visit by Prime Minister Pavlo Lazarenko to Donetsk next Tuesday, the head of government will familiarize himself with these conclusions. Relevant measures will be taken on their strength. Simultaneously, measures to restructure the coal industry will be carried out. In particular, 168 mines will receive financial aid from the state budget.

The statement by the press service also recalls that the government is paying $30-35 on average in subsidies per one tonne of coal extracted. At the same time, the cabinet will be implementing its intentions to develop the coal industry. A possibility was found to allocate 10,000 billion karbovantsi from the extrabudgetary funds for the commissioning of 93 coal faces. Another 7,000 billion karbovantsi will be allocated shortly.

The government is doing all it can to improve the situation and to enable miners to receive what they earned. Pavlo Lazarenko said at a meeting with people's deputies from Donetsk and Lugansk regions today, 12 July, that the required sum had already been remitted to the mining regions and the money would be available directly at mines and coal-mining subunits on Monday, 15 July. It is not that the wage debt issue will be resolved - it has already been resolved. The government will block the overall debt in order to begin paying off miners' wages owed for the last two months. Meanwhile, the leaders whose actions provoked social tensions, will be punished, says the statement by the press service of the Cabinet of Ministers of Ukraine.

Ukraine: Premier Promises $55 Million for Miners' Back Wages

WS1507093496 Kiev INTELNEWS in English 0050 GMT 12 Jul 96

[FBIS Transcribed Text] Kyiv, July 11. KBV10 [karbovantsi] trillion, about $55 million, is being funneled to pay some of the back wages owed to striking coal miners, Prime Minister Pavlo Lazarenko said after meeting with miners Thursday [11 July].

"I've made the decision: KBV10 trillion has been found for payment owed to miners," Lazarenko said, adding that the money will enter local budgets Monday.

Wage debts to miners amount to KBV110 trillion, about $550 million, according to Myhaila Volynets, head of the independent miners trade union.

The meeting Thursday with Lazarenko and miners was prompted by the spontaneous wildcat strike of miners in Donetsk and other areas. So far, 74 mines and 8,0000 are striking in Donetsk, according to government officials, but trade union leaders said 200,000 coal miners had joined the week-old strike to demand unpaid wages. On Thursday in Donetsk, about 2,000 miners blocked a railroad terminal, unloading facilities and tracks, the oblast government reported. Miners are also blocking area highways.

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Strikes are occurring elsewhere in Ukraine, including Lvov Oblast, where miners blocked highways earlier this week.

A number of unions, except independent miners' trade union, has so far refused to support strikers. The unions supported the nationwide strike in February for unpaid wages that was suspended after government promised action.

Lazarenko said at Thursday's meeting national government doesn't really owe miners wages because the money was allocated in time but local authorities suspended payments. A government panel headed by Deputy Prime Minister Vasyl Durdynets is investigating the situation in Donetsk, including debts owed to mines for coal and the business conducted by coal industry enterprises. Some wrongdoing, including misspending by coal enterprise directors has been reported by the committee.

Mykola Azarov, chairman of Parliament Budget Committee, cited erroneous credit-monetary policy of the government. Parliamentary commission on fuel-energy complex deputy chairman Oleksandr Tatarinov said this policy pushed coal extraction enterprises on relations with commercial structures.

"Coal doesn't belong to miners, everything belongs to firms," said communist and Parliament deputy Oleksandr Shevchenko, adding that "the payments (for coal) are taken by commercial structures and miners don't receive wages. The government has found money for coal purchases from Poland, but it failed to do that for wages payment to miners," Shevchenko said.

Ukraine: Donetsk Miners Set To Continue Blocking Railroad

LD1307094996 Kiev UNIAN in Ukrainian 0840 GMT 13 Jul 96

[FBIS Translated Text] Donetsk — Donetsk miners will continue blocking the railway from 0900 to 1200 on 13 and 14 July. Only passenger and electric locomotives will be allowed to go, a UNIAN correspondent reports. The building of the Ministry of Coal Industry in Donetsk and highways will not be blocked.

Serhiy Raspopov, a representative of the Donetsk City Workers' Strike Committee, told UNIAN that 13 mines are idle in the city because of the strike. He said miners are demanding that their wage debt be cleared and other payments made in full and without delay. "If this is not done by Monday, we will have to resort to tougher measures, namely to block the railway around the clock," Raspopov said.

Ukraine: More Than 60 Mines Now on Strike

LD1507100196 Kiev UNIAN in Ukrainian 0820 GMT 15 Jul 96

[FBIS Translated Text] Kiev — Twenty-one mines were on strike in Ukraine on 14 July, including 16 mines in Donetsk region and five in Lugansk region. As many as 2,527 stope miners failed to turn up for work. The shortfall in the output of coal on 14 July amounted to 18,600 tonnes, the Ministry of Coal Industry of Ukraine told UNIAN.

According to the Independent Trade Union of Miners of Ukraine, over 60 mines were on strike by this morning.

Ukraine: Columnist Views Interethnic Tension in Transcarpathia

WS1207120396 Kiev KIYEVSKIYE VEDOMOSTI in Russian 8 Jul 96 p 7

[Article by Hlib Horodnychenko: "Transcarpathian Ruthenians Are Demanding Autonomy. A Threat of Separation or an Attempt at Self-Definition?"]

[FBIS Translated Excerpt] [Passage omitted recounting history of the Transcarpathian region] **The events of bygone days have not become merely "a historical heritage." The loss of statehood by "the smallest Slavic nation in Europe" chafed the soul of more than one generation of patriots of the idea of Ruthenian autonomy. No later than in 1990, your author was briefed by a high-level official of the then KGB of the Ukrainian SSR: "Why do you always repeat: 'Crimea! Crimea!' Have you not heard about Ruthenians? This will soon be a headache for us..."**

This "prophecy" — provoked apparently by intelligence reports — soon proved to be true. As early as 1 January 1991, the Transcarpathian region held a referendum devoted to the issue of restoring Ruthenian statehood within the borders of Ukraine. The nationwide press unanimously kept silent about the referendum and its results. Official Kiev "diplomatically" ignored the expression of will on the part of Ruthenians. Later, one of the top officials tried to convince your correspondent with dubious phrases of the following sort: "Such a nationality as 'Ruthenian' does not exist — it does not appear in passports." No "Ruthenians" — no problem. "It is strange," I tried to retort, "'Ruthenians do not exist, but people believing themselves to be Ruthenians do exist..." The response was: "Maybe you will also recall the Donetsk Republic from the times of the civil war..."

As a result, on 21 February 1996 the interested political forces of the Transcarpathian region, including the Christian Democratic Party of the Republic of

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Carpathian Ruthenia — Transcarpathian Ukraine being a constituent part of Ukraine — addressed the Supreme Court with a demand to nullify the edict by the Supreme Soviet Presidium of the Ukrainian SSR "On the Creation of Transcarpathian Oblast as a Part of Ukraine" of 22 January 1946. At the same time, they threaten official Kiev that they will address the European Court in Strasbourg if their action is rejected. One cannot deny the resoluteness of leaders of the Ruthenian autonomy movement. This means that the threat of further federalization of the Ukrainian state will extend for many years.

It is also highly probable that the "Ruthenian question" may involve states neighboring with Ukraine.

The national press also omitted an event that was regional in its scope, but may have far-reaching international consequences. On 23 June, a reburial of 14 fighters of the Carpathian Sech (a militarized formation of the Republic of Carpathian Ukraine — editors) took place at the Yablunetskyy Pass in the Carpathian Mountains. This is the place where in 1939 Hungarian troops forced remnants of the Sech voluntary units back to the then Polish border. This is the place (eyewitnesses are still alive) where the Polish military police massacred Ukrainian patriots: Mass shootings were preceded by Jesuitic tortures of the unfortunate people, whose disfigured bodies were thrown into the Tisa River under the eyes of peasants driven together from neighboring farms.... The remains of only one body excavated from a common grave were identified by medical experts as belonging to a 40-year-old man. All the others were under 20.

Against this background, this year the Hungarian community of the Transcarpathian regions is planning to erect a monument commemorating the 1100th anniversary of the creation of the Austro-Hungarian empire. This project is perceived by the local population as, mildly speaking, not quite ethical. Participants in the mourning rally at the Yablunetskyy Pass declared: "We will not allow this! Hungarian soldiers were neither defenders nor liberators of the Transcarpathian region!" The anger is great. The Congress of Ukrainian Nationalists, already an influential organization in Western Ukraine, has sent an official letter to the Foreign Ministry with a demand to deny Hungary to build the monument on Ukrainian soil. The Ukrainian National Assembly-Ukrainian Self-Defense is not staying on the sidelines, either. The arising conflict is fraught with interethnic complications and diplomatic "strifes" which, in their turn, may only aggravate the confrontation between the Transcarpathian region and Kiev. Who will gain from this?

Until now, Kiev has not shone with its ability and eagerness to resolve interethnic problems. Rather, state policy in the sphere of national minorities tried to "catch up" with the course of events. It was not preventive in the least. What do the Ruthenians expect? A common phrase says that "time will show."

Keeping silent about the problem is no method to resolve it.

Economic Issues

Ukraine: Deputy Premier Discusses Macroeconomy, Reforms

WS1507105096 Kiev INTELNEWS in English 0001 GMT 15 Jul 96

[Interview with Viktor Pynzenyk, Ukrainian deputy prime minister for economic reform, by Serhiy Stepanenko; place and date not given; from the "Economic Review" feature]

[FBIS Transcribed Text] [ER] How would you estimate the macroeconomic state of the Ukrainian economy over the past several years?

[PYNZENYK] The Ukrainian experience shows how fear of inevitable difficulties of the transition period and lack of political will in carrying out economic reforms may lead to aggravation of the economic situation and loss of control over the economic processes. It also can lead to intensification of social conflicts due to decreasing living standards.

In 1993 prices rose 10,000 percent, whereas real salaries decreased by 52 percent. It was atonement for indecisiveness: reforms were halted while we looked for some extraordinary ways of carrying them out. That is why people lost their belief in government being able to change the situation for the better.

Since October 1994, Ukraine has been in a new economic situation. After President Kuchma declared radical economic reforms, the country persistently has gone along this road. We may speak about the government being inconsistent, the economic reforms being hindered, certain decisions being uncoordinated. However, in the first years of Ukraine's independence, the reforms were not only declared, but partially carried out. The best results have been achieved in macroeconomic stabilization.

[ER] How have things improved lately?

[PYNZENYK] In 1995, for the first time in the past four years, the average monthly inflation rate in Ukraine was 9.1 percent (181.7 percent annually). From January to April 1996 it was 5.5 percent, whereas industrial prices

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increased by 2.6 percent. The rather high inflation rate in the first months of 1996 was caused by the government's increase in real estate prices, prices for energy resources and municipal services. The average increase in prices for services was 10.8 percent per month in the first four months of 1996, while food products increased by 3.7 percent per month and manufactured goods—2.5 percent.

In fact, real estate and public utilities is the only sector of economy where the government controls prices and gives subsidies. Due to high imported energy consumption the government was forced to increase utility prices by 1,500 percent. The system of subsidies is being changed to target more fairly low-income families, who pay more than 15 percent of their average monthly income for municipal services. In 1995 this system of increasing prices and better targeting subsidies resulted in reduction of expenditures by $600 million.

The national currency has become stable. The exchange rate of karbovanets to the dollar has risen by 300 percent since October 1994. The dollar rate increased by 260 percent between November 1994 and April 1995, while consumer prices increased by 770 percent.

[ER] How will investment policy change in the future?

[PYNZENYK] Long-term loans in karbovanets are increasing gradually. On October 1, 1995 long-term loans in karbovanets were 14.7 percent of all loans; by January1, 1996 it was 16.7; by May 1, 1996 it was 17.4 percent. For the first time since the beginning of 1996 people's savings deposits have increased, though slightly.

However, there have not been any radical changes in the investment sector yet. Insufficient savings is a hindrance for an investment breakthrough. The lack of confidence in the karbovanets and fear of savings devaluation must be overcome.

For the last year and a half, the amount of foreign investments in Ukraine's economy has increased. In 1995 they were $266 million in all, which is 50 percent more than in 1994. In the first quarter of 1996 the total volume of foreign investments in Ukraine was $137 million, which is double the average quarterly rate of 1995. This year, foreign investments may exceed the total obtained by Ukraine in all previous years if structural reforms are expedited and the economy stabilizes somewhat.

The stabilization measures and steps liberalizing domestic and foreign trade resulted in a decrease in the foreign trade deficit. In 1995 exports increased by 18.5 percent, and imports increased by 16.9 percent This includes exports and imports to non-CIS countries, which increased by 26.1 percent and 43 percent correspondingly.

[ER] How did the implementation of economic reforms affect businesses and ordinary people?

[PYNZENYK] Last year the decline in the standard of living stopped. People's salaries exceeded the index of January 1995 in dollar terms by 210 percent and was equal to $69.20.

The state debt to its workers jeopardized financial stabilization. Industry reacts positively to financial stabilization. In 1995 and the first quarter of 1996 there was a considerable decrease in the industrial output. The gross domestic product in 1994 decreased by 13 percent; in 1995—by 11.8 percent; in the first four months of 1996 the GDP decreased by 9.6 percent.

[ER] Some experts say higher inflation helps increase industrial output. Would you say so considering Ukraine's experience?

[PYNZENYK] The Ukrainian experience has disproved the opinion that it is impossible to combine the policy of financial stabilization with the economic growth.

Over four years the country had two more or less long periods when quarterly industrial growth was observed. In 1994, it happened from the second until the fourth quarter.

A relatively low inflation rate characterized that period. After a price rise in November 1994 to March 1995 the industrial output decreased by 13 percent in the first quarter. In the second quarter, when inflation was 4.6 percent to 5.8 percent, the industrial output increased by 7.6 percent. And in the third and fourth quarters the inflation was 0.3 percent, and output increased 7.2 percent.

[ER] Are there any problems in realizing economic reforms?

[PYNZENYK] The process of liberalization on the macro level is not accompanied by similar processes on the micro level. The financial stabilization clearly revealed a large number of unprofitable enterprises. These drawbacks manifested themselves through the payment crisis as a result of abrupt restrictions in subsidies, when enterprises behaved inadequately in new conditions. The processes of restructuring, privatization, and bankruptcy were slow.

[ER] How would you estimate the pace of privatization in the country?

[PYNZENYK] For the last year and a half, government has speeded up privatization considerably. In 1992-1994 in Ukraine 11,502 entities were privatized, while

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16,401 enterprises were privatized in 1995. This is 40 percent more. In particular, large-scale and medium-size enterprises going through privatization increased by 70 percent.

This rate is observed in 1996. For the first four months of this year, 7,765 enterprises were privatized, which is five times more than last year. Speeding up privatization is important not only for structural changes in the economy and attracting foreign investments, but also from the social point of view. Privatization is to create new jobs.

To speed up structural reforms, new businesses should be given free access to the market. Recently, the list of activities that need licensing has been prolonged. Some sectors of the economy remain super-monopolized, but small-scale businesses gradually make their way to new markets.

[ER] What are the biggest difficulties Ukraine has to overcome in the near future?

[PYNZENYK] Despite the decrease in the budget deficit, balancing the budget is still a problem. In 1996 the budget was approved with the deficit of KBV461 [karbovantsi] trillion, which is 6.2 percent of the GDP. Only 23 percent of the budget deficit will be compensated by expanding the money supply. Part of the budget deficit is supposed to be paid by state securities (33 percent) and via external sources (44 percent).

For the four months of 1996 the budget deficit was 5.8 percent of the GDP. Revenues from distribution of state securities were KBV33 trillion.

Now the average weekly volume of state securities is about KBV4 trillion. But reaching KBV150 trillion by the end of the years as provided by the budget is problematic. The development of a state securities market is hindered by taxes on incomes from investments in government securities. High profitability of government bonds and their liquidity when there are so many ill enterprises moves commercial banks to this sector of the economy.

Ukraine: Supreme Council Sets Up Financial Control Body

WS1507082396 Lvov INFOBANK in English 0639 GMT 15 Jul 96

[From the "News Service" feature]

[FBIS Transcribed Text] On July 11 the Ukrainian Parliament passed the law establishing the Accounts Chamber which is to become a permanent agency of the state financial economic control. The chamber is formed, subordinated to and held accountable by Parliament. It works independent of other governmental agencies.

Under the law, the Accounts Chamber will control state budget revenues and expenditures, the spending of budgetary funds and state special purpose funds, domestic and foreign debt accumulation and redemption, efficiency and expediency of use by the government of state funds, hard currency and credit resources, as well as of state property not subject to privatization. The Chamber will control the signing of state loans and credits agreements and supervise credits utilization. The Chamber will also control monetary emission, gold reserve, and precious metals and stones reserve.

Ukraine: Experts Comment on Low Level of Foreign Investments

WS1507093696 Kiev INTELNEWS in English 0050 GMT 12 Jul 96

[Report by Halia Pavlova]

[FBIS Transcribed Text] Kiev, July 11. Ukraine can expect to receive from $1 billion to $1.5 billion in foreign investment during 1997, according to Volodymyr Herasymchuk, president of the Kiev Russ Financial Investment Co.

Herasymchuk made the forecast Thursday during the weekly World Bank round table.

Since August 1991, when Ukraine declared independence, about $900 million in foreign investments have come into the country, while the total need for investments is estimated by the government at $40 billion. Ukraine can handle up to $7 billion to $8 billion in foreign investments annually, according to recent remarks by Prime Minster Pavlo Lazarenko.

But that level is unrealistic for the time being, said Herasymchuk: "Under any circumstances, we won't get up to that level for about three years."

Ukraine's own investors are the key, according to Edilberto Segura [spelling of name as received], chief of the World Bank mission in Ukraine: first national investors should come into the economy and then foreign investors will follow, he said.

"Ukrainian government, however, does not have a special program to attract domestic investors to the national economy, but many of the post-soviet countries worked out such programs, which have demonstrated really good results of investment activity," said Oleksiy Plotnikov of the Ukrainian Political and Economy Research Center.

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Western banker Oleksandr Bazarov said there are two reasons foreign investments do not come: investor inertia—they're going to other countries farther along in reform—and lack of legislative protection.

Herasymchuk said, the major problem of foreign investment is local mentality: "Ukrainians seriously think they would rather eat their own black bread, than white bread with butter on it from the capitalist's world."

Ukrainians who would like to have foreign investments into their enterprises are having problems formulating business plans to provide investor with information, said Natalie Jaresko of Western NIS Enterprise Fund.

Ukraine: Parliament Presses for Reform of Oil-and-Gas Sector

MK1307132296 Moscow NEZAVISIMAYA GAZETA in Russian 13 Jul 96 p 3

[Unattributed report: "Ukraine"]

[FBIS Translated Text] The Ukrainian Supreme Rada has deemed as unsatisfactory the government's implementation of the 2 November 1995 resolution designed to halt violations of the law during the privatization of enterprises in the oil-and-gas, and in particular in the oil-processing, industry.

In this connection the deputies entrusted the Cabinet of Ministers with working out a concept to reform the oil and gas complex, to assess the property of the joint-stock companies Ukrneft and Ukrgazprom, and to set conditions for the further utilization of state properties used by Ukrgazprom and not subject to privatization.

The General Prosecutor's Office was entrusted with looking into the operation of pipelines and the observance of norms for taxing profits from oil and gas transit. The Cabinet of Ministers and the General Prosecutor's Office are to report the results to the Ukrainian parliament at its sixth plenary session in September.

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Belarus

Belarus: Seleznev on Election Impact on Relations, Nuclear-Free Zone

WS1207112496 Minsk Radio Minsk Network in Belarusian 0400 GMT 12 Jul 96

[Report by Volha Yushkevich on news conference by Gennadiy Seleznev, Russian Federation State Duma chairman, in Minsk on 11 July]

[FBIS Translated Excerpt] [passage omitted] Undoubtedly, Belarusian reporters were eager to learn about the consequences of the presidential elections in Russia on the relations between our states. What future awaits the Belarusian-Russian Community after the presidential elections?

[Begin Seleznev recording — in Russian] I do not think that all the agreements which were signed on 2 April were simply part of the election campaign rhetoric. Moreover, I am sure that they were part of it [as heard]. As you know, the creation of a community of this kind was primarily advocated by Russia's left forces which did everything they could, as well as centrist forces which also tried to intensify Belarusian-Russian relations. When the agreement was voted in the Duma, nobody voted against it and nobody abstained. This was an unprecedented case in the Duma. Therefore, this was not simply an emotion. This was a sincere desire on the part of the deputies to bring our states closer together because we have very much in common, we do not have any disputes, and our [word indistinct] union will only be beneficial for our peoples. [end recording]

The State Duma chairman was asked another question. Will Russia support the Belarusian president's initiative to create a nuclear-free zone?

[Begin Seleznev recording — in Russian] The idea is good. However, we are not talking only about making Belarus a nuclear-free zone. Naturally, all European states are interested in minimizing or perhaps even eliminating the nuclear potential in Europe. In essence, the entire progressive world is interested in this. Russia, too, is interested in this. However, so far it does not seem that we can envision this kind of situation. We know that Europe [?hosts] nuclear arms, and not only our nuclear arms. Therefore, this may be a matter of distant future. [end recording] [passage omitted]

Belarus: Parliament Advocates Nuclear-Free Zone in C. Europe

LD1207191496 Moscow INTERFAX in English 1728 GMT 12 Jul 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] MINSK, July 12 (Interfax-West) - The Belarusian parliament has proposed to work out and sign a multilateral convention on a nuclear-free zone in the center of Europe.

An address "To the Parliaments and Peoples of Europe," passed by the parliament Thursday, lists Russia, Belarus, Ukraine, the Baltic countries and Eastern European former members of the Warsaw Pact as the potential participants of the convention.

Deputies expressed concern over NATO plans for eastward expansion, which they believe may increase the risk of nuclear confrontation and turn Belarusian territory into an area of such confrontation.

Belarus: Belarus Ratifies Chemical Weapons Convention

LD1307185996 Moscow ITAR-TASS in English 1835 GMT 13 Jul 96

[By Valentin Volkov]

[FBIS Transcribed Text] THE HAGUE, July 13 (Itar-Tass) - Belarus has become the 56th country to ratify the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons.

The instrument of ratification has been handed over to U.N. Secretary General Butrus Butrus-Ghali who is the depository of the convention.

The convention which was opened for signing on January 13, 1993 will become effective 180 days after the 65th country transfer its instrument of ratification to the depository.

At present, the convention has been signed by 160 countries and ratified by 56 countries.

Belarus: Lukashenka, Chirac Sign Full-Scale Political Treaty

LD1207172096 Moscow INTERFAX in English 1629 GMT 12 Jul 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Belarussian President Alyaksandr Lukashenka and his French counterpart Jacques Chirac have concluded a full-scale treaty between their countries.

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Lukashenka, who is the French capital on an official visit, said that was the first comprehensive treaty Belarus had signed with a major European nation.

The Belarussian leader hopes that the treaty would furnish the legal basis for further cooperation between the two countries and start systematic bilateral consultations on European security.

Asked about the importance of the treaty, experts in the Belarussian delegation said that it provided for cooperation between the Belarussian and French parliaments and promoted business contacts and investments.

The treaty specifies cooperation in spheres having particular importance to both countries. For instance, the article provides for cooperation in easing and eliminating the effects of the Chernobyl nuclear power plant disaster.

Before the treaty was signed Lukashenka and Chirac held talks. Chirac told journalists afterwards that it was an important meeting, because it helped make an important step towards friendship between the two countries.

Both men pointed to an inadequate level of political, economic and cultural relations between France and Belarus and the need for developing diversified relations between the two peoples.

European security was one of the issues discussed. The presidents have a similar attitude to the problem.

The conclusion of the full-scale treaty of friendship has laid the basis of new relations between Belarus and France, President Chirac said.

The French president promised to pay a return visit when it would become possible.

In turn Lukashenka said he was satisfied with the fact that the president of France had a chance to see for himself that in his country the policies of the Belarussian leadership had been presented in the distorted fashion.

Lukashenka hopes that President Chirac will be able to visit Minsk in the near future. "Probably, this will happen very soon," he said.

"The importance of the meeting with President Chirac is hard to underestimate, and the Belarussian people know how to be grateful. This is our national trait," Lukashenka said.

As he reviewed Lukashenka's talks with Chirac, first presidential aide Ural Latypov said that relations with France in the West were no less important to Belarus than with Russia in the East. It was agreed that France would help Belarus join the European Union.

Latypov said that the Belarussian and French presidents had largely similar views on the future of NATO.

"The alliance must be reformed and NATO's expansion to the East must not be fast," Latypov said.

Chirac said he wanted NATO's expansion to be carried in such a way so as to prevent the infringement of the interests of Russia, Belarus and NATO. Latypov quoted Chirac as saying that the simple expansion NATO, which had been established to counter the USSR, was unnecessary. NATO must be reformed, he said.

In the course of the talks the French President said that the question of Belarussian sovereignty within the framework of integration between Belarus and Russia was beyond all doubt.

"Belarus is a sovereign, independent country," Latypov quoted Chirac as saying.

As he addressed France's leading bankers and industrialists later in the day, Lukashenka said that the CIS was a military, political and economic club, which gathered from time to time but never acted on its decisions.

He believes that France's interest towards Belarus would be equivalent to nothing, but for the "union of two" (Russia and Belarus) and "the union of four" (Russia, Belarus, Kazakhstan and Kyrgyzstan) concluded within the CIS. Lukashenka believes that both unions give French businessmen a chance to open joint ventures in Belarus to manufacture goods and sell them without any problems in the territories of the mentioned states.

Lukashenka said that in Belarus a favorable investment climate had been established by virtue of the country's geographic position, developed infrastructures, inexpensive fuel from Russia, skilled workforce and legal benefits for foreign investors.

Lukashenka says that the integration of Belarus and Russia is the highest in the post-Soviet space. "We have been coordinating economic reforms, unifying legal systems, consulting with each other on foreign policy issues, in a word, acting in the same fashion as the EU member-countries," Lukashenka said.

At the same time Lukashenka confessed that the integration of Belarus and Russia was still far behind that of the European Union.

Lukashenka invited French businessmen to invest into the Belarussian economy. "My visit to Paris will serve this process," Lukashenka said. He hopes France would open a $200- 300 million credit line to finance projects launched by French companies in Belarus.

France's biggest insurance company COFAS has agreed to act as a safeguard of that plan.

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Lukashenka says French businessmen have been very conservative in terms of developing the Belarussian market, because they had the habit of spending too much time on studying this or that economic project. He recalled that the French Minister of Finance and Foreign Trade asked for one year to study the projects proposed by the Belarussian side. Lukashenka said that Belarus over the past three months had studied three investment projects proposed by U.S. and Russian firms $1.5 billion worth. "All these projects are being implemented already," he said.

On Saturday Lukashenka will visit a number of farming enterprises in northern France and return to Minsk later in the day.

Belarus: Lukashenka Meets With Bankers, Businessmen in Paris

LD1207143696 Moscow INTERFAX in English 1343 GMT 12 Jul 96

[FBIS Transcribed Text] PARIS, July 12 (Interfax-West) — Belarusian President Alyaksandr Lukashenka described the CIS as a "military, political and economic club which regularly meets, but does not fulfill the decisions made" at his meeting with French bankers and businessmen in Paris Friday.

France's interest in Belarus would be "zero," but for the unions between Russia and Belarus and a customs union between Belarus, Russia, Kazakhstan and Kyrgyzstan, Lukashenka said.

The two unions enable French businessmen to create joint ventures and foreign enterprises in Belarus, produce goods, offer services and trade in the above states without any obstacles, he explained.

Russian-Belarusian integration is the strongest in the entire former Soviet Union, Lukashenka said. "It provides for coordination of economic reforms, gradual unification of legislation, consultations on foreign policy, briefly speaking, about the same as is going on in the European Union," he said.

At the same time, Lukashenka admitted that Russia and Belarus had "not yet reached the same extent of integration as the E.U. member-states did."

Lukashenka called on French businessmen to more actively invest in Belarus. He said he hoped to obtain a French credit line of $200-300 million for French-managed projects in Belarus. France's major insurance company COFAS had announced its readiness to guarantee this plan, he said.

Belarus has considered and launched three investment projects, to be implemented by U.S. and Russian companies, totalling $1.5 billion over the last three months, Lukashenka said.

Lukashenka is expected to meet with the chairman of the Banque Nacionale de France, leaders of the Organization for Economic Cooperation and Development of France and management of the British/French company Zhec-Alst. This company had won a tender on the upgrade of major Belarusian heat power stations, financed by the European Bank for Reconstruction and Development (EBRD). Belarus signed a contract with Zhec-Alst on the purchase of equipment for the station, worth $37.6 million. The talks in Paris will focus on widening cooperation with the company.

Lukashenka will visit a number of agricultural enterprises in the north of France Saturday and return to Minsk later the same day.

Belarus: Foreign Minister Comments on Lukashenka's Visit to France

LD1307191896 Minsk Radio Minsk Network in Belarusian 1600 GMT 13 Jul 96

[FBIS Translated Text] The official visit of Belarusian President Alyaksandr Lukashenka to France ended today. At the request of our special correspondent Alyaksandr Tsikhavets, the results of the visit are summed up by Foreign Affairs Minister Uladzimir Syanko.

[Begin Syanko recording] I think that some time will be needed in order to take stock fully of the results of this event, which is quite a large-scale one for the foreign policy of our state. [words indistinct] this visit [words indistinct] a very large significance which [word indistinct] a guarantee of the bilateral relations between Belarus and France [words indistinct] a full scale bilateral interstate treaty was signed during the visit — the first document of this kind between Belarus and a western European state. By this visit we showed that we attach great significance to relations with western Europe and that, alongside the relations with neighboring Russia and other neighbors, this direction in our foreign policy is extremely [word indistinct].

I am convinced that after the visit of Alyaksandr Rygoravich to Paris our relations with the West on the whole will be wider and more full-blooded. Naturally, we will prepare for such visits to our country. I think that it has been high time for that for a long time. However, [words indistinct] other visit by Alyaksandr Rygoravich. The main thing is that we pursue the course of our foreign policy (?in an active and dynamic way) and that is the most essential thing. [end recording]

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Moldova

Moldova: Tiraspol Garrison Commander Summoned by Lebed to Moscow

AU1207181196 Chisinau BASAPRESS in English 1755 GMT 11 Jul 96

[FBIS Transcribed Text] Tiraspol/Chisinau, 11/07/1996 (BASA-press) — Col. Mikhail Bergman, Tiraspol Garrison commander, left today for Moscow, where he was convoked by the Russian Security Council secretary, Aleksandr Lebed.

Reportedly, Col. Bergman will be reconfirmed in his post after he was dismissed eight months ago by Gen. Valeriy Yevnevich, commander of the Dniester-based Russian troops, at the order of the former Defense Minister Pavel Grachev.

In an interview to BASA, Bergman said the Russian Defense Ministry has prepared all documents for Yevnevich's transfer to China as Russian military attache.

Bergman implied that Yevnevich asked him to demand Lebed to speed up the transfer.

BASA learned from military sources that the Russian Military Prosecutor's Office did not finish its investigation into the diversion of a large quantity of weapons from the 14th Army, a special Defense Ministry commission will arrive in Tiraspol to conduct a special inspection.

Moldova: Snegur Advocates Conclusion of Basic Treaty With Slovakia

AU1207182696 Chisinau INFOTAG in English 2020 GMT 11 Jul 96

[FBIS Transcribed Text] Chisinau, July 11 (INFOTAG) — President Mircea Snegur spoke up for signing a basic Moldovan-Slovak treaty on the fundamentals of bilateral relations. The document may be negotiated and signed during the forthcoming visit of President Snegur to Bratislava. That was stated at today's meeting of the Moldovan leader with the Slovak Ambassador Milan Resutic on the occasion of his ending up diplomatic mission in Romania and the Republic of Moldova.

The sides have spoken up for speeding up negotiating and signing a trade and economic agreement between the two countries, an agreement on mutual protection and promotion of investments, and on double taxation avoidance. They believe these documents will substantially promote the cooperation between Moldovan and Slovak economic entities.

The Ambassador pointed out that both Moldova and Slovakia are young independent states having good possibilities of establishing mutually beneficial ties in all fields, and the potential should necessarily be utilized.

Moldova: Socialists Urge Snegur To Sign Dniester Memorandum

AU1307150996 Chisinau BASAPRESS in English 1930 GMT 12 Jul 96

[FBIS Transcribed Text] Chisinau 12/07/1996 (BASA-press) — The second largest parliamentary faction of Socialist Unity has disapproved of Mircea Snegur's reluctance to sign the Memorandum on the Settlement of Relations between Moldova and Dniester before presidential elections. "Isn't this move by Mr. Snegur aimed at disrupting the agreements on the Dniester problem?" said a statement released by the Socialist Unity faction. "Doesn't the president think that the Dniester problem is an important problem?" said the release. The Socialist faction noted Premier Andrei Sangheli stated during the congress of the Agrarian Democratic Party of Moldova [PDAM] that "the Dniester problem is among his priorities," while Speaker Petru Lucinschi said the memorandum has to be signed as soon as possible. "The president has changed his position without consulting Parliament or government," said the release. The Socialist Unity urged Moldovan leadership to speed up the signing of the memorandum. The Moldovan presidential team did not comment on the socialists' statement.

Moldova: Snegur To Run for Presidency on Behalf of PRCM

AU1507085796 Chisinau BASAPRESS in English 1930 GMT 13 Jul 96

[FBIS Transcribed Text] Chisinau 13/07/1996 (BASA-press) — The delegates to the Second Congress held by the Moldovan Party of Rebirth and Conciliation (PRCM) today chose PRCM leader Mircea Snegur as candidate for the presidency.

They appealed to all Moldovan political forces to vote for Snegur and create a people's movement to support him. A similar appeal was addressed to representatives of national minorities of Moldova. Delegates suggested calling a Great National Assembly until September 1 to support Snegur.

PRCM deputy chairman Nicolae Andronic said this suggestion will be discussed by the PRCM Council.

He stated that Snegur's re-election would make transition irreversible. According to him, the current president is a political personality who will synchronize the transition to a market economy with the creation of a new system of social protection, as proof being his practical actions, and will promote "political diplomacy" of conciliation on centrist principles.

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Andronic launched the idea to set up a people's movement to support Snegur, movement to unite political parties, non-government organizations and associations and "any forces which wish to be useful to society."

He said the PRCM is ready to cooperate with opposition parties "on the basis of partnership and mutual political respect," without claiming "the role of the elder brother." In his opinion, the Moldovan Agrarian Democratic Party (PDAM) makes an attempt to intimidate the nation by choosing Sangheli as candidate for the presidency, while the premier is the one to blame for the economic decline and social disaster in Moldova. The PRCM rejects Sangheli's option to integrate Moldova into the CIS political-military structures, said Andronic.

President Snegur, reporting on the PRCM's activity after its first congress, stressed that the PDAM, concerned about the appearance of a rival party under intellectual and organizational aspects, started a merciless campaign of backbiting the PRCM by intimidation and persecution of its members and followers.

Snegur accused the ruling party of sliding to the extreme left and of intending to restore the totalitarian regime. He also accused the Sangheli cabinet of incompetence, stressing that the parliament and cabinet followed wrong principles when they boycotted presidential initiatives on official language name and land tradeability.

Moldova: Parliament Chairman To Run for Presidency

LD1507092096 Moscow INTERFAX in English 0903 GMT 15 Jul 96

[FBIS Transcribed Text] CHISINAU, July 15 (Interfax) — Chairman of the Moldovan parliament Petr Luchinskiy has announced his decision to run for president.

He stated on TV on Sunday evening that he had always advocated a broad election block of political forces.

"Such a block has not been created yet. Therefore I've taken the decision to run for president and try to unite parties and movements supporting me, as well as ordinary voters who are not affiliated with any party," he said.

Commenting on the possibility of a further split in the ruling Agrarian-Democratic Party between supporters of Prime Minister Andrei Sangheli and himself, he gave to understand that rifts may be growing even further.

He believes that although he has no party of his own his chances of winning the elections are rather high. As an example he referred to Russian President Boris Yeltsin, Ukrainian President Leonid Kuchma and Romanian President Ion Iliescu who are not affiliated with any party and are supported by different forces.

Luchinskiy said that cooperation with political forces, including the communists was possible, depending on the situation. The alliance between Russian President Boris Yeltsin and General Aleksandr Lebed, which was unthinkable in the first round but became quite possible in the second round, is a vivid example, he said.

Presidential elections are to be held in Moldova on November 17. The decision to run for president has been announced by Prime Minister Andrei Sangheli, nominated by the Agrarian-Democratic Party; current President Mircea Snegur, nominated by the Party for Revival and Accord, and ex-security minister Anatoliy Plugaru who will be an independent candidate.

The election campaign will begin three months before election day.

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Kazakhstan

Kazakhstan: Foreign Minister Proposes Joint Development of Caspian Sea

LD1207152196 Moscow INTERFAX in English 1410 GMT 12 Jul 96

[FBIS Transcribed Text] ALMATY, July 12 (Interfax) — The Caspian problem still exists and the sea's legal status remains at its core, Kazakh Foreign Minister Qasymzhomart Toqayev told a briefing for foreign journalists in Almaty Friday.

The issue is very important for Kazakhstan, he said.

Almaty proposes the creation of a committee including deputy foreign ministers of the five Caspian countries, which will work out recommendations on the legal status of the sea and prepare a meeting of foreign ministers, said Toqayev.

He reiterated Kazakhstan's position that the U.N. Convention of Maritime Law of 1982 must be valid for the Caspian Sea. Almaty opposes proposals that all Caspian countries should have a narrow coastal zone 10 to 30 miles wide, while the rest of the sea must be for common use, said Toqayev. He believes that it is unacceptable to condition the development of mineral resources on the consent of all the five Caspian countries.

According to Toqayev, all Caspian countries must have the right to participate in the development of mineral resources in the countries' national zones.

Almaty would like to see the Caspian issue resolved through talks between the five countries, although there are proposals to resolve it by passing national acts, he said.

Speaking about Russian oil companies' participation in the development of Kazakh hydrocarbons, Toqayev said that "our policy is aimed at their maximum attraction to the Caspian Pipeline Consortium and other oil projects."

"The bigger is the presence of Russian business in Kazakhstan, the quicker legal and political aspects of the Caspian status will be resolved."

According to him, the Russian Lukoil oil company can join a future international consortium on the development of the Caspian Sea resources off the Kazakh shore.

Kazakhstan: Nazarbayev on Economic Targets

MS1107092796 London FINANCIAL TIMES in English 11 Jul 96 p.3

[Interview with Kazakh President Nursultan Nazarbayev, by correspondent Sander Thoenes; from the Financial Times survey on Kazakhstan p 3; in his office, on 6 Jul]

[FBIS Transcribed Text] It is a few days before his 56th birthday, on July 6, and Mr Nursultan Nazarbayev, Kazakhstan's first president, is looking back on a good year. In the previous three months alone his government has signed nearly a dozen contracts worth between $200m and $1.5bn each.

"Why have so many come now and not earlier?" he asks himself, sitting on the tip of a chair in his mahogany office as if in a hurry to go back to work. "Little time has passed since Kazakhstan became an independent state and many foreign companies used to take a wait-and-see attitude, watching how others were doing. The main thing is that big companies came to Kazakhstan and have started to work successfully. That attracts others.

"Last year, we adopted 130 market-oriented laws. Foreign investors especially responded well to the foreign investment law, the law on mineral resources, the law on oil, the law on mortgages, and the tax code that was adopted by Kazakhstan. It has no equal in the CIS and gives clear guarantees to foreign investments on repatriation of the profits," he continues, but then adds quickly: "That's not enough. The Supreme Economic Council of the president works on preparing documents that should improve the tax climate, with tax holidays and exemptions."

Turning to the state of the domestic economy, the president says: "Kazakhstan, like other post-Soviet states, has only just reached macro-economic stabilisation. In 1994 we had 1260 per cent inflation, last year it was 60 per cent, this year we plan for 30 per cent. Next year, we hope for 9 to 12 per cent, and in 1998 we need have 2 or 3 per cent inflation to function like any normal capitalist state.

"These are hard targets to reach. In such conditions, the government carries a heavy burden. Last year I approved a three-year mid-term economic programme. It calls for raising people's average income by two and a half times, higher pensions, a 2 or 3 per cent rise in annual output starting 1997, a stable national currency, an increase in the gold reserves, a rise in Gross National Product each year. We have to give the cabinet the chance to fulfil that programme."

Asked what worries him before he goes to bed at night, Mr Nazarbayev pauses for only a second. "We need to improve the lives of the people of Kazakhstan faster. If we don't do that quickly the population may get fed up. Those investments that came to Kazakhstan — $2.5bn in the past two years, $5bn in the past five years — they went to capital-intensive projects

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which will only bear fruit in three to four years. The Caspian Pipeline Consortium contract greatly enhances the potential of Kazakhstan. Last year for the first time, exports exceeded imports. All that enables me to make an optimistic prediction that we are close to really improving the lives of my people. The faster we improve the lives of the people, the more they trust in our reforms. And that will provide strength to our state."

Tajikistan

Tajikistan: Kyrgyz President Affirms Support for Tajikistan

LD1207161196 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 12 Jul 96

[FBIS Translated Excerpt] Kyrgyz President Askar Akayev arrived in our republic today. Our correspondent Amirkhon Shohkhon reports.

[Shohkhon] Dushanbe airport had a festive look. The flags of the two states were flying. At exactly 1020 local time, the Kyrgyz president's aircraft landed at Dushanbe airport. President of Tajikistan Emomali Rakhmanov, welcomed Askar Akayev at the aircraft door. Then the commander of the presidential guard reported to the distinguished guest. [passage omitted]

After the welcoming ceremony, Askar Akayev said the following about aims of his visit to our country:

[Begin Akayev recording, in Russian] As you know, the two nations of Kyrgyzstan and Tajikistan have lived in friendship and good-neighborliness for almost 1,000 years. Furthermore, we are kindred nations. [passage omitted] Our main purpose is to strengthen our friendship and good-neighborliness. As you know, we, together with all countries of the CIS, are now establishing trade and economic relations. Our trade relations with Tajikistan ran into huge volumes, and we had close economic relations. We have enterprises that work using Tajik raw materials, and there are enterprises in Tajikistan that work with our raw materials. So, it is as if there were joint ventures, and very well-known ones, at that. For example, we have a large antimony combine, which does in fact operate using raw materials from Tajikistan, but as you are aware, antimony is currently in great demand in the world. We want to continue these (?relations). Many others can be mentioned.

We want to begin today, especially after the successful democratic elections in Russia, which constitute a good precondition, to start up our economic union and customs union. Bilateral relations are also very important for this, and we want to strengthen these. This is our purpose. Our aim is to establish a steady contractual and legal basis to enable our relations to develop more dynamically in all spheres, not only in trade and economy. We had very broad cultural exchanges, and relations in education and science. Furthermore, we, Tajikistan and Kyrgyzstan, are in a seismic zone and we generally enjoyed very close relations on seismic mapping. We exchanged information. This is our purpose.

Now, what do we again attach great importance to? Of course, the formation of new sovereign countries is in progress after the collapse of the Soviet Union; some of them have succeeded. I think that Kyrgyzstan succeeded in this case. We are experiencing the same social and economic difficulties as other CIS countries. However, there is one circumstance that will enable us today to concentrate all our efforts to settlement of social and economic issues. It is peace and calm. [passage omitted] [end recording]

[Shohkhon] Akayev also expressed his opinions on the activity of the CIS peacekeeping forces in Tajikistan and said the following:

[Begin Akayev recording] I think that we should have solidarity. As the popular wisdom has it, only he who appreciates both new and old can achieve success. So, we, I think, all countries and nations, must not only appreciate the new — as we are now carrying out reforms, reformations, making relations with new and distant states — but we must maintain the old relations. There will be no progress without it. And so, bearing in mind this popular wisdom, I have always considered that we shared brotherhood and solidarity and we helped each other in difficulties and troubles. So I think that it is necessary to help your country, a member of the CIS.

As far as Kyrgyzstan is concerned, we, as you know, were the first country after Russia to contribute a battalion. We renewed the personnel recently and fresh men are serving at present. There is no problem. I was the first to respond to prolong the mandate of the peacekeeping battalion and talked over the telephone with Russian President Boris Nikolayevich Yeltsin. He is convinced that the collective peacekeeping forces must remain as long as the Tajik people need it, and as long as it is in the Tajik people's interests. I welcomed this. [end recording]

[Shohkhon] After this, the motorcade started for the government residence. Here, the presidents of both countries had a personal conversation. The delegations of both countries also had talks on developing bilateral cooperation. After their meeting, the heads of both countries signed a number of important agreements on developing bilateral cooperation. The distinguished guest is scheduled to visit the republic's Literary Institute and to meet representatives of the Academy of Sciences today.

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Tajikistan: Rakhmanov, Akayev Sign Cooperation Documents

LD1207153596 Moscow ITAR-TASS in English 1515 GMT 12 Jul 96

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, July 12 (Itar-Tass) — Kyrgyz President Askar Akayev ended the official part of his visit to Tajikistan by signing a package of documents on strategy and prospects for cooperation between Tajikistan and Kyrgyzstan.

Akayev arrived in Dushanbe on Friday to meet his Tajik counterpart Emomali Rakhmanov and other officials.

Meeting journalists, Akayev said that a "legal foundation has been created on which it is possible to develop good-neighbourly relations, deepen economic, trade and cultural contacts." The Kyrgyz president supported the extension of the mandate of collective peacekeeping forces in Tajikistan.

At the same time, Rakhmanov believes that the signed documents create a "sufficiently powerful basis for the development of multifaceted relations and cooperation between the brotherly states."

According to Rakhmanov, the situation in a majority of districts of the republic, with the exception of some populated localities in the East Pamir area, is "calm and there is no grounds for alarm."

The situation in the Tavil-Dara district is controlled by government troops. "We could have established the status-quo in this district long ago, but this would have entailed a great number of human victims on both sides," Rakhmanov said.

Today, the Kyrgyz president will meet Tajik scientists and teachers of institutions of higher education.

Tajikistan: Rakhmanov, Akayev Praise Political Accord Signed 12 Jul

LD1207184396 Moscow INTERFAX in English 1713 GMT 12 Jul 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Presidents of Tajikistan and Kyrgyzstan Emomali Rakhmanov and Askar Akayev are both setting great store by an outline political agreement they signed on Friday [12 July] at the start of Akayev's visit to Tajikistan.

Speaking afterwards, both leaders described the deal as being vital for the future of the two countries. They said the machinery of implementing it was perfect leaving no questions answered.

Other agreements cover the economic and cultural areas as well as education, science and transport helping to lay down a solid groundwork for wide-ranging cooperation between Tajikistan and Kyrygzstan.

Both presidents agreed that bilateral relations would from now f[illegible]re into line with the spirit of long-running contacts and friendship between their countries.

Rakhmanov also dwelt at length on the situation in Tajikistan which, he says, is slowly getting out of political, social and economic crisis.

He said there was no alternative to Dushanbe's line at building a democratic, law-governed and secular state and that the Tajik leadership was determined to clear whatever stumbling blocks were there.

Rakhmanov admitted the effects of the civil war, continued high social and military tension and shortage of funds prevented the country's rapid shift to market reforms.

But he also pointed to the signs of certain progress in the economic situation, including the start of foreign investment and a slow recovery by some economic sectors.

There are also positive shifts in a political settlement to the country's problems, he said.

Rakhmanov said Dushanbe made maximum effort to get the resumption of peace talks in Ashgabat in the face of continued violations by opposition forces of the previous accords.

He thanked UN special envoy Gerd Merrem for arranging the latest round on July 8 and the government of Turkmenistan for hosting it.

He said the position taken by observer countries deserved special gratitude.

Rakhmanov hopes that the latest round, which, he says, must be a final one, will be productive.

"At any rate, the government of Tajikistan is ready for this," he said.

IF Note: UN representatives who worked out a compromise plan of regional cease-fire and the extension of the truce for a longer period of time unveiled it to the warring sides at separate talks on Thursday, Merrem told reporters.

He said the plan accounted for the programs submitted by the two sides, but he did not elaborate.

The government and opposition leaders were to discuss the U.N. plan before giving their response on Friday.

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This may have followed by separate consultations with both sides.

Rakhmanov reaffirmed willing to meet opposition leader Said Abdullo Nuri in Moscow to sign a comprehensive cease-fire agreement which must stick over the period of peace talks without any pre-conditions.

At the same time, he warned the opposition against any attempt to try to derail the Tehran interim cease-fire deal which, Rakhmanov said, may largely complicate a possible achievement of peace accords.

"Tajikistan just will not be able to sustain a new round of upheavals and destruction," he said.

On the internal situation, the president said that all government bodies were reinstated throughout Gorno-Badakhshan, four of the five districts in Garm, Khatlon and Leninabad regions, and the Gissar Valley.

He said Tavil-Dara was on the whole under government control, but bringing a status quo in the region was fraught with heavy losses on both sides, especially civilian casualties.

The president said government forces had so far been containing the rebels' advance to rule out any spread of violent clashes to other parts of the Pamir region.

At the same time, he said that a military option had never been the government's choice.

Tajikistan: President Visits Tavil-Dara District, Presents Awards

LD1207120196 Dushanbe Radio Tajikistan Network in Tajik 1400 GMT 11 Jul 96

[FBIS Translated Text] President Emomali Rakhmanov visited Tavil-Dara district today. Major-General Gaffor Mirzoyev, commander of the Presidential Guard, and Internal Affairs Minister Major-General Saidamir Zuhurov met with the president at the military airport in Childara village. They briefed the president on the current situation in the region. We remind you that Tavil Dara district was occupied by the armed Tajik opposition until recently but it has now been liberated by the government army.

The head of state also met with staff officers of the Presidential Guard and officials of the Ministry of Internal Affairs and thanked them on behalf of the government for their military service.

President Emomali Rakhmanov also thanked the best soldiers and handed them expensive gifts and bravery awards. Emomali Rakhmanov then met with the people of Childara village and said the country's government is taking every possible measure to eliminate the crisis which has arisen. He assured them that a convoy carrying basic foodstuffs — 20 tonnes of flour, more than 20 tonnes of sugar, and other products — would be delivered to the region immediately.

It was also said that all refugees will be able to return to their homes in the nearest future. Tavil-Dara is now under the full control of government forces.

Tajikistan: Government Proposals Submitted at Inter-Tajik Talks

LD1207120696 Dushanbe Radio Tajikistan Network in Tajik 0800 GMT 12 Jul 96

[FBIS Translated Text] Dear listeners, as you have been informed, the latest round of the Tajik peace talks has been under way in Ashgabat, the capital of the Republic of Turkmenistan, for the last five days.

During this period Talbak Nazarov, the chairman of the government delegation and minister of foreign affairs submitted official proposals to the opposition. They include the following: To exchange prisoners of war; to monitor the Tajik media; to hold a meeting of field commanders both of the opposition side and the government; to hold a consultative forum of Tajiks in Dushanbe at the end of August attended by representatives of all political parties with the government side and the opposition taking part. The government proposals said that the state should allow all members of opposition groups who were not sentenced by 1992 to serve in military units of the government.

These were the official proposals of the government to the United Nations and the Tajik opposition.

In its turn, the opposition, chaired by Haji Akbar Turajonzoda, submitted its proposals to the Government of Tajikistan and the UN.

As Nazarov has reported, there are two main issues now at the Tajik peace talks in Ashgabat: Stopping the clashes in Tavil-Dara district by whatever means and arriving at a mechanism for the cease-fire. The Government of Tajikistan and the UN are now working on this.

The other bloc of questions is political and, according to the program of the talks, these will be settled in two days' time. Among the political questions, first and foremost is the opposition's participation in the work of the government.

Every side is now trying to find a mechanism for the cease-fire. As Nazarov said, this is a very difficult task. However, the leaders of the government side are managing to settle this issue as far as possible.

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Tajikistan: Foreign Minister: Three Obstacles Remain to Cease-fire

LD1507105896 Dushanbe KHOVAR in Russian 1050 GMT 15 Jul 96

["The First Week of the Talks Has Ended" — KHOVAR headline]

[FBIS Translated Text] [No dateline as received] The first week of the Tajik talks in Ashgabat ended. Has there been any progress at the talks? A TIA-KHOVAR correspondent put this question to the head of the Tajik Government delegation, Foreign Affairs Minister Academician Talbak Nazarov.

"In the course of the six days of work," he said, "two important documents were compiled: a draft joint cease-fire declaration and a protocol to exchange prisoners-of-war and [other] prisoners. Both of these documents are very important, and I think they deserve to be approved. As I said, the first document concerns the cease-fire, and I think that the war must be stopped immediately but there are a number of unresolved questions, the details of which we must discuss in the remaining days of the talks. These are ensuring the safety of transportation on the Dushanbe-Khorog road, the return of refugees to Tavil Dara, and the functioning of the appropriate infrastructures.

"If we settle these three questions, then we shall sign the joint cease-fire declaration. As for the second question, the exchange of prisoners-of-war and prisoners, this is purely humanitarian. Here we must exclude all speculation and do everything possible to carry out this exchange.

"The task of specifying the list of prisoners-of-war from both sides now lies before us, that is, we must specify the place for the exchange, the number of prisoners-of-war the opposition has, and the number of prisoners-of-war that we have. We must define the parameters, in other words. The head of the International Red Cross, Mr. Thomas Merkelbach [as received], flew in to Ashgabat this morning. I think many questions will need to be settled with him in the context of the rules and procedures of the International Red Cross.

"If these questions are settled satisfactorily, we can move on to examine the block of political questions."

Tajikistan: UN Envoy Pleased With Agreement on Exchange of POW's

LD1307134596 Dushanbe KHOVAR in Russian 0915 GMT 13 Jul 96

[FBIS Translated Text] The UN secretary general's special envoy at the Tajik talks has described the protocol on the exchange of POW's and political prisoners, adopted at the regular plenary meeting on 12 July, as a document of fundamental importance. The procedure for the gradual exchange of prisoners was agreed in the document and the exchange will take place with the assistance of the Red Cross.

On the subject of procedure, Dietrich Merrem said that the Tajik Government and united Tajik opposition delegations had undertaken to present the lists of prisoners by the end of the current stage of the Ashgabat talks. Merrem also told journalists that the opposition is proposing to unilaterally hand over 26 government POW's after 20 July. The special envoy also described as positive the arrival in Garm of 12 trucks carrying food, which recently accompanied the members of the joint commission and the government of Tajikistan. For a long time, Garm was practically cut off from the capital.

These facts can be regarded as a precursor of a more active approach by the sides, Merrem said.

On the subject of the agenda of the meeting for the near future, Merrem said it was necessary to urgently tackle the issue of introducing a real cease-fire and extending the cease-fire agreement. The alternative plan for resolving this issue, prepared by UN experts on the basis of the documents submitted by the government and the united opposition, was presented to the sides on 12 July.

In the morning on 12 July the special envoy held separate consultations with both delegations on this issue, and these were also discussed during the plenary meeting. According to Dietrich Merrem, despite some differences, the parties are showing a readiness to adopt a joint statement on a temporary cease-fire.

The participants in the talks are expected to meet on 14 July to discuss the matter in more detail.

Tajikistan: Some Agreement Reached at Inter-Tajik Talks

LD1507093796 Dushanbe Radio Tajikistan Network in Russian 0730 GMT 15 Jul 96

[FBIS Translated Text] The Tajik peace talks are continuing today in Ashgabat, capital of the Republic of Turkmenistan. The sides have already reached agreement on a number of issues.

Talbak Nazarov, head of the government delegation and Minister of Foreign Affairs of Tajikistan, has acquainted himself with the proposals submitted by Akbar Turajonzoda, deputy leader of the opposition group, and a number of the issues proposed by the opposition meet the requirements for peace and accord.

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Uzbekistan

Uzbekistan: Paper Reports Turkish Demonstration in Tashkent

LD1107140296 Almaty KARAVAN-BLITS in Russian 10 Jul 96 p 3

[Unattributed report: "What Did They Kick Up a Row For?"]

[FBIS Translated Text] More and more new details have become known about the recent incident in the Uzbek capital, where construction workers from the Turkish firm Ay-Sel staged a demonstration in the central streets and were met by armed soldiers. The formal reason for the dissatisfaction among the Turkish construction workers was an accident at a man-made lake.

Three Turkish construction workers decided to cool off there, at the favorite swimming pool for Tashkent children. One of them dove in and did not come up to the surface. The other two rushed to help him, dragged him to the side, tried to give him artificial respiration and, only after realizing that their all attempts had failed, appealed for help from the policeman on duty, who immediately called an ambulance. It was not possible to save the unfortunate man. A medical examination certified that he died as a result of water entering his lungs.

However, about two days later, around 200 construction workers decided to clarify the circumstances of their friend's death with the Turkish ambassador to Uzbekistan, who for some reason did not find the time to meet them, and raising their national flags, they headed toward their country's embassy. The Turks were asked to return to the construction site where they live and work and to discuss calmly the matters interesting them. But the protest march went on, and only when it resulted in a huge traffic jam forming did police officers demand that the foreign construction workers get on the buses provided.

At a news conference, in which Kozim Tulaganov, the head of the Tashkent administration, and Interior Minister Zahirjan Almatov took part, the protestors did not remember their deceased colleague but complained about the untimely payment of wages and the nonconvertibility of the Uzbek som.

The firm's president, G. Sazak, and Turkish Ambassador E. Aytun apologized to the republic's authorities for the incident. Eighteen organizers of the disturbances have been deported to Turkey.

Uzbekistan: Karimov Discusses Human Rights, Relations With U.S.

LD1307165396 Tashkent NARODNÓYE SLOVO in Russian 13 Jul 96 p 1

[News conference by Uzbek President Islam Karimov in Tashkent on 5 July]

[FBIS Translated Excerpt] The Uzbek president's answers questions put to him at the briefing for the diplomatic corps and journalists accredited in Tashkent. As has already been reported, President Islam Karimov held his latest traditional meeting with the diplomatic corps and journalists accredited in Tashkent on 5 July.

The president's speech, in which he shed light on the very important events that have taken place in recent months in the life of our country and its foreign policy and on Uzbekistan's relations with foreign states, has been published in the press. Our country's leader also answered questions of interest to the journalists at the meeting. We give you a chance to acquaint yourselves with those questions and answers.

Yuriy Chernogayev, POSTFACTUM, Russia: Mr. President, in light of your undoubted diplomatic success in the United States, will your attitude to the CIS change or become more strict? And another question: Has there been any reaction to your visit from the leaders of the other states of Central Asia? Also, if it is not a secret, what new aspects of cooperation with the United States in the military field does the protocol signed at the Pentagon envisage?

Islam Karimov: The Uzbek delegation's visit to the United States was indeed fruitful and successful. Undoubtedly, the results of our visit will have an impact not only on our bilateral relations, but also on our international relations as a whole — and not only on the international level, but also with regard to our more accelerated progress along the road of democratic reforms, renewal, and market reforms, the path of the further development of investment projects, and so on. However, our relations with other states — particularly, with the CIS countries — have not been worked out as a result of any visits to other countries by the president or any delegation from Uzbekistan. [passage omitted]

Regarding our meeting with U.S. Defense Secretary Perry, and the talks we held at the U.S. Defense Department, I want to say the following: Nobody should be frightened by it. Our relations with the United States, including those in the military and technical field, are not aimed against any other party or against any other country. I want to stress again clearly and firmly that our cooperation in that field is geared to strengthening the stabilization of the atmosphere in the Central Asian

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region and at consolidating peace and stability, bearing in mind the troubled situation in Afghanistan and the tension in Tajikistan. Our relations in that area with the United States, and particularly with the Defense Department, are developing according to the established procedure, without infringing on anybody's security. [passage omitted]

Furkatbek, a Radio Liberty correspondent: Mr. President, by your decree an amnesty was announced at the end of May, and some prisoners were released. You have given such organizations as Helsinki Watch and Human Rights Watch the opportunity to function in Uzbekistan. Moreover, you recently allowed some of your political opponents to carry out their activities in Uzbekistan itself. This list can go on. Does this mean that new, more liberal times, when compared to the past, have arrived in Uzbekistan as regards human rights and democracy? In general, how would you comment on this distinct policy of openness you have pursued since the end of 1995? Has Karimov himself changed, or has his policy changed? Or was this all a pre-planned political course?

My second question. Your visit to the United States was very significant. Has Uzbekistan's independence, and in particular its security, increased since this visit?

Islam Karimov: First of all, I would like to speak about the main point. Uzbekistan has, since the first days of independence, worked out precise principles, and has clearly defined its plans and aims in politics, the economy, and the spiritual sphere. Life itself shows that the path we chose was right. From the very beginning we have opposed "shock therapy" not only in the economy, but also in politics. We are ever more convinced that in carrying out reforms one must take into account people's worldviews, national traditions, way of life and, for that matter, human nature and character. If we had not taken that into account, we would have made a big mistake. Political reforms are being carried out gradually in Uzbekistan. As we say in Uzbek: The quality of being Muslim is gradualness [musulmonchilik asta-sekin].

As for the question of whether it is Karimov or his policy that has changed, I would answer that fundamentally life changes people. When society changes, then, of course, the president changes as well. [passage omitted]

As for our problems, I would like to highlight three of them. There is still much work for us to do in practically implementing the rights that our citizens enjoy under the Constitution and our laws. The second question is the political opposition. There ought to be an opposition in every democratic state. It is no political mistake to say that the existence of an opposition is a sign of democracy. We put great hope in those parties that are gathering strength and are now being born.

The third problem is the press. I have spoken about this many times, emphasizing, in particular, that we still have very many problems in the press sphere. To solve these problems we must match western states and without fail reach the standards of democratic states.

Moving to the general, I want to say that political and democratic reforms in Uzbekistan will be carried out consistently in future as well. We have certain obligations under agreements and accords signed during the visit to the United States and reached with the European Community and the European Union. We placed a very large responsibility on our own shoulders in signing these documents. It is now a matter of fulfilling these obligations.

Now to the question of whether our visit to the United States yielded any security guarantees. During the visit my conviction that the path of reform chosen by Uzbekistan and the need to carry it out consistently was strengthened. During my talk with U.S. President Bill Clinton, he emphasized in particular that the United States has an interest in defending the independence and sovereignty of Uzbekistan. What more guarantees could you have!

I think that our people will rightly see these guarantees as the greatest success of our visit.

Khayrullo Ubaydullayev, Uzbek office of the BBC radio station: Mr. President, I have here in my hand a memorandum from the U.S. Defense Department. It says here that a conversion committee is to be set up in the interests of strengthening mutually beneficial economic cooperation. Could you briefly comment on this, mention the plants that will be subject to conversion, and what good or harm this will do?

Islam Karimov: Indeed, special attention was paid to conversion during talks at the Defense Department and other U.S. departments, the Departments of Commerce and Finance in particular.

A number of U.S. delegations have already visited Uzbekistan specially to deal with this question. A separate program to organize conversion in Uzbekistan's conditions has been compiled. The enterprises that previously worked in the military complex system are now in a very difficult position, and have no orders. Above all, these enterprises must be reoriented to a sector producing consumer goods. For example, the production of new IL-144 civil aircraft at our aviation construction plant in Tashkent, seeking orders for them, using these planes in our national economy — these are but a small selection of the questions considered in the aims of conversion. [passage omitted]

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Azerbaijan

Azerbaijan: Aliyev Welcomes World Bank Decision on Occupied Lands

LD1207131696 Moscow INTERFAX in English 1220 GMT 12 Jul 96

[FBIS Transcribed Text] BAKU, July 12 (Interfax) — Azerbaijani President Geydar Aliyev is satisfied with the decision of the World Bank to prepare for restoration of occupied Azerbaijani lands.

"Some 20 percent of Azerbaijani territory are now occupied. About one million refugees have fled the occupied lands and Armenia," the president told Jonathan Brown, visiting head of the infrastructure, energy and environmental protection division of the World Bank's European and Central Asia department, in Baku Thursday.

"All the occupied lands have been robbed and ravaged," said Aliyev.

"The republic cannot do this work all alone, it needs assistance of world financial organizations and the United Nations, within the framework of the U.N. Development Program," said the president.

He hopes "Azerbaijan together with the World Bank and the United Nations will achieve liberation and restoration of its occupied lands."

Brown told Aliyev the current mission of the World Bank aims to discuss a program of assistance to Azerbaijan in restoration of occupied lands, including housing for refugees and conditions for their return.

Azerbaijan: Aliyev Seeks International Help To Deal With Effects of War

LD1207183096 Moscow INTERFAX in English 1629 GMT 12 Jul 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] President Geydar Aliyev called on the international financial institutions and the U.N. to help Azerbaijan in dealing with the consequences of the Karabakh war.

Azerbaijan cannot do it on its own, he told Jonathan Brown, head of the infrastructure, energy and environment conservation division in the World Bank's European and Central Asian department, in Baku.

The Armenian forces now occupy one fifth of the Azerbaijani territory and there are nearly 1 million refugees in the country, Aliyev said. The occupied Azerbaijani lands are devastated and pillaged, he said.

Azerbaijan can regain its territorial unity with the aid of the World Bank and appropriate U.N. bodies, Aliyev said.

Aliyev was pleased with the response of the World Bank "to my request to start the preparation for rebuilding the Azerbaijani lands occupied as a result of the Armenian aggression."

Brown said that his mission in Baku was to discuss with the Azerbaijani leaders the program of aid in socioeconomic rebuilding of the areas in the conflict zones, in particular construction of homes for the refugees and enabling them to return.

Aliyev received Akiro Watari, head of Michiment Corporation, one of the largest in Japan, and told him that Azerbaijan intends to extend cooperation with the Japanese business community.

Aliyev supported the idea that the corporation should open its office in Baku.

He also emphasized that he views Watari's visit as a response to the invitation, contained in his letter to the Japanese prime minister, for Japanese businessmen to operate in Azerbaijan.

The participation of Japan's Toshiba in the construction of a house conditioner factory in early 1980s and Japanese business's involvement in the Azerbaijani oil projects now are fair examples of fruitful bilateral, Aliyev said.

Watari said there were interesting projects in Azerbaijan. He was pleased that his corporation and the Azerkhimiya company had signed an agreement on joint production of ethyl alcohol and technological salt.

Michiment Corporation is also prepared to cooperate with Azerbaijan in trading in aircraft, seagoing ships, industrial equipment, consumer goods and foodstuffs, he said. It also studies the potential for modernizing the Azerbaijani oil refineries and cement plants and increasing the energy production.

IF Note: Michiment Corporation can invest $5 billion. Its turnover was $52 billion in 1995. The company has 100 offices around the world and 250 subsidiaries, of which 60 are joint ventures.

Azerbaijan: Aliyev Hails Council of Europe Delegation's Visit

LD1207183496 Moscow INTERFAX in English 1629 GMT 12 Jul 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] [no dateline as received] President Geydar Aliyev highly appreciated the decision of

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the Council of Europe's Parliamentary Assembly to give his country the status of an invited guest.

"This is an even of an historic importance for this country. It implies that Azerbaijan is recognized as a country where democratic reforms are underway," he told a conference in his headquarters on the visit of a Council of Europe's delegation under its Secretary General Daniel Tarsye to Baku on July 12-14.

The start of Azerbaijan's integration into the European structures is "a major event in the country's political life and in the construction of the state," Aliyev said.

On the other hand, much has to be done for Azerbaijan to become a full member in the Council of Europe, he said. Aliyev emphasized the importance of implementing his decree of July 8 on development of relations between Azerbaijan and the Council of Europe.

IF Note: Under the decree, the state commission for legal reform that had been set up by a presidential decree of February 21 has two months to review, jointly with Council of Europe's experts, the Azerbaijani legislation for consistency with the European Convention of Basic Rights and Liberties.

The commission also has a month to evaluate numerous bills, notably on the Constitutional Court, on courts and judges, on the police, prosecutor's office, local self-government and elections of local legislatures for consistency with the European legislation.

These bills are expected to be sent to Aliyev within two months.

Vafa Guluzade, state counsellor on foreign policy issues, told Interfax that the basic goal of the Council of Europe delegation visit is to discuss the outlook for cooperation with Azerbaijan. He took note of the fact that the visit has been made nearly immediately once Azerbaijan became an invited guest in the Council of Europe.

Guluzade expressed the hope that Azerbaijan will soon become a full member of the Council of Europe. The visit should be viewed as a stage on the road to that event, he said.

Aliyev is expected to receive the delegation which will also visit numerous ministries and agencies, notably the Interior Ministry, the prosecutor's office and the Supreme Court.

Azerbaijan is prepared to make comprehensive information on the country's domestic and foreign policy and its everyday life available to the delegation, Guluzade said.

This will be conducive to Azerbaijan joining the Council of Europe as a full member.

Azerbaijan: Council of Europe Official Views Baku's Membership Chances

LD1407195596 Tallinn Estonian Television Network in Estonian 1800 GMT 13 Jul 96

[FBIS Translated Excerpt] Estonian Foreign Minister Siim Kallas, in the position of chairman of the Committee of Ministers of the Council of Europe, together with Daniel Tarschys, the secretary general of the Council of Europe, met Azerbaijani President Geydar Aliyev in Baku today.

The Baku meeting took place as part of the tour of the Council of Europe delegation to the Transcaucasian states. During the tour, the delegation is to study the development of democracy and legislation on human and citizens' rights in these states.

[Unidentified correspondent] The task of the delegations of the Council of Europe is to find out how well the new candidates for membership, Azerbaijan, Georgia, and Armenia, satisfy the criteria set by the Council of Europe. Already the first stopover in Baku shows that it is hard to demand a legislation that meets European requirements from a state that is in war and has only recently obtained freedom.

Siim Kallas, this time not as Estonian foreign minister but as chairman of the Committee of Ministers of the Council of Europe, thought, however, that the three Caucasian candidates could obtain membership in a not so distant future.

[Begin Kallas recording] It is very clear that it is not planned for Azerbaijan to become a full member of the Council of Europe during Estonia's chairmanship. But what is important is that in Azerbaijan there is a very strong will to adhere to all these norms and standards. Everybody, all the officials we have met so far, said this today. Also, a big presidential document on this, a plan of sorts, has been issued.

Therefore, Azerbaijan has realistic preconditions for joining the Council of Europe, so this is clearly a process to be welcomed.

[Correspondent] [passage omitted] Azerbaijani President Geydar Aliyev today said clearly that the war for Nagorno-Karabakh had been halted for some time, but not finished.

[Begin Aliyev recording, in Russian] Unfortunately the Armenian side, using certain advantages relating to occupation of Azerbaijani territory, attempts to put pressure on Azerbaijan and is pressing for the status

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of an independent state for Nagorno-Karabakh. [end recording]

[Correspondent] The visit of the Council of Europe delegation, lead by Siim Kallas, will continue in Georgia tomorrow and in Armenia on 15 July. One would expect that the truths there about the situation in the Transcaucasus will be rather different from those in the Azerbaijani capital, Baku.

Azerbaijan: Gasan Gasanov Receives European Council Delegation

NC1307174396 Baku TURAN in English 1220 GMT 13 Jul 96

[FBIS Transcribed Text] Baku/13.07.96/TURAN — Today Foreign Affairs Minister, Gasan Gasanov, received the delegation of European Council. The delegation comprises General Director of the Council, Mr. Daniel Tarshis, who currently holds the office of the chairman of the Committee of Ministers of European Council, and Siim Kallas — Minister of Foreign Affairs of Estonia.

During the meeting General Secretary of European Council, Mr. Daniel Tarshis, said that status of specially invited guest is of great importance for Azerbaijan as well as for Europe. "We consider Azerbaijan to be a constitute part of Europe", Mr. Tarshis said. He noted that due to this fact we have to implement a complex program to bring Azerbaijan's national legislation in correspondence with European standards.

Gasan Gasanov said: "Our purposes and forms of co-operation coincide with EC". Gasan Gasanov said this a favourable factor for co-operation.

Azerbaijan: Ethnic Group Seizes Policemen, Demands Leader's Release

LD1207180096 Moscow INTERFAX in English 1639 GMT 12 Jul 96

[FBIS Transcribed Text] MAKHACHKALA, July 12 (Interfax) — About 300 Lezghins, a small ethnic minority in the North Caucasus, took four Azerbaijani policemen hostage on the Russian border with that country and blocked the Baku-Rostov highway Friday.

They demand one of the leaders of the Lezghin movement Sadval, Nariman Ramazanov, be freed.

Prior to this, Azerbaijani special services had detained Ramazanov, charged with organizing an explosion in the Baku subway in March 1994, at a checkpoint on the Dagestani-Azerbaijani border.

Several Sadval activists had been convicted for this terrorist attack in Baku last spring.

Meanwhile, the demonstrators led by Sadval activist Shakhban Afizov threaten to close the gateways on the border river Samur, from which water comes to the Azerbaijani side.

Azerbaijan: Details of Ethnic Minority Leader's Detention Viewed

LD1307134396 Moscow INTERFAX in English 1258 GMT 13 Jul 96

[FBIS Transcribed Text] BAKU, July 13 (Interfax) — Azerbaijani security detained the leader of the prohibited Lezghin organization Sadval, Nariman Ramazanov, last Thursday [11 July] at the border with Dagestan, an internal republic within Russia, Azerbaijani Minister of National Security Namig Abbasov told Interfax Saturday.

Russia's Federal Border Service Director Andrey Nikolayev and Federal Security Service Director Nikolay Kovalyov have been informed about the detention, he said.

"Azerbaijani law enforcers have more than enough reasons to detain Ramazanov," Abbasov said. "As a minimum, he is an agent of Armenian special services and periodically received instructions from Yerevan to stage sabotage acts and destabilize the situation in the north of the republic."

According to Abbasov, "the Sadval leader is involved in the transfer of two helicopters with armaments from Armenia to the north of Azerbaijan in 1992 and is the organizer of the sabotage courses in the Dagestani town of Derbent where Armenian instructors trained terrorists to stage sabotage acts in Azerbaijan."

In addition, Ramazanov is one of the organizers of the March 19, 1994 explosion in the Baku subway, as a result of which 14 people were killed and 49 wounded, he said.

The trial of 13 Sadval activists had ended in Baku two months ago with two death sentences for this particular attack.

Ramazanov has been interrogated for two days in the presence of a lawyer, Abbasov said.

"Ramazanov's interrogations and testimony are taped, and will soon be brought to public scrutiny," Abbasov pledged.

Meanwhile, over 1,500 Lezghins have been rallying in protest of the detention for a second day at the bordering Magaramkent district of Dagestan, competent sources in the Dagestani capital told Interfax.

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The demonstrators blocked the traffic on the bridge across the river Rubas near the village Novo-Maka Saturday, demanding Ramazanov be freed and the Lezghins' rights be respected in Azerbaijan.

The demonstrators are still holding four Azerbaijani policemen captured on the Azerbaijani side Friday.

Azerbaijan: Baku Frees Lezghin Movement Leader Following Rally

LD1407094596 Moscow INTERFAX in English 0930 GMT 14 Jul 96

[FBIS Transcribed Text] MAKHACHKALA, July 14 (Interfax) — The Azerbaijani special services on Sunday morning freed Nariman Ramazanov, a leader of the Lezghin movement Sadval accused by the Azerbaijani authorities of separatism, who was detained at a checkpoint on the border between Azerbaijan and the internal Russian republic of Dagestan on July 11.

Lezghins are an ethnic minority in the North Caucasus.

Official Azerbaijani representatives earlier said that they had "enough reasons" to believe that Ramazanov "is, at least, an agent of the Armenian special services."

Furthermore, Azerbaijani National Security Minister Namig Abbasov has accused Ramazanov of organizing an explosion in the Baku subway on March 19, 1994, killing 14 and injuring 49 people.

After Ramazanov was freed, the rally in the Magaramken region of Dagestan, that involved over 1,500 Lezghins and lasted for several days, ended. The demonstrators went home, law enforcement agencies in the Dagestani capital of Makhachkala told Interfax.

The demonstrators freed the four Azerbaijani policemen taken hostage on July 12 in response to Ramazanov's detention.

Georgia

Georgia: Shevardnadze: Georgia To Join Council of Europe Next Year

LD1407201396 Tbilisi Radio Tbilisi Network in Georgian 1850 GMT 14 Jul 96

[FBIS Translated Excerpt] Estonian Foreign Minister Siim Kallas, the chairman of the Committee of Foreign Ministers of the Council of Europe, and Daniel Tarschys, the secretary general of the Council of Europe, arrived in Georgia today for an official visit. The visitors were received today by Georgian President Eduard Shevardnadze. At the meeting, Mr. Shevardnadze thanked the Council of Europe representatives for their support and briefed them on the current situation in Georgia. [passage omitted]

After the meeting, our correspondent Nana Avalishvili interviewed Eduard Shevardnadze.

[Begin recording] [Avalishvili] Could you please discuss prospects for relations between Georgia and the Council of Europe?

[Shevardnadze] Cooperation has already begun. We have already been granted guest status. This is not insignificant. It means a lot. I do not think that obtaining membership will be delayed for too long. I think it will happen in a year or a year and a half. It will mean we will become direct participants in European life, especially in political life. The Council of Europe is one of the main guarantors for democracy in Europe and for protection and development of human rights. [end recording]

The visitors were also received today by Georgian Foreign Minister Irakli Menagharishvili. [passage omitted]

At the end of the meeting, the minister presented to the Council of Europe delegation Georgia's application for full membership of the organization. [passage omitted]

Georgia: Shevardnadze Spokesman Says Meeting With Ardzinba 'Possible'

LD1207154096 Tbilisi CONTACT INFORMATION AGENCY in Georgian 1410 GMT 12 Jul 96

[FBIS Translated Text] Tbilisi [no date as received] — The Georgian president's press secretary Vakhtang Abashidze said at a briefing on 11 July that Georgian President Eduard Shevardnadze is sure that his meeting with Abkhaz separatist leader Vladislav Ardzinba is possible and necessary. Such a meeting is realistic provided that there are solid and clear prerequisites for adopting decisions.

After a short break caused by the Russian presidential elections, Georgian-Abkhaz talks have resumed and are being held more actively. In the opinion of the Georgian leadership, the election of Boris Yeltsin as Russian president has clearly defined at this stage ways to settle the Abkhaz conflict.

Abashidze also stressed the official Tbilisi position that says the renewal of the peacekeepers' mandate is impossible without changing the peacekeepers' powers. Active talks are being held in this area between the experts of the Georgian and Russian foreign departments, as well as the representatives of the Defense Ministries.

Abashidze said the basis of the new mandate will take shape in the near future, adding that it is necessary to finally define Abkhazia's political status.

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Georgia: UN Resolution Allows Tbilisi To Pressure Abkhaz Separatists

LD1307165796 Moscow INTERFAX in English 1432 GMT 13 Jul 96

[FBIS Transcribed Text] TBILISI, July 13 (Interfax) — Last Friday's resolution by the U.N. Security Council enables Georgia to further pressure Abkhaz separatists at the talks, Georgian Presidential Advisor Prof. Levan Aleksidze told journalists Saturday.

"If it proves fruitless, we will be able to raise the issue of imposing not only CIS, but also international sanctions on Abkhazia," he said.

Aleksidze is also the chairman of a commission for establishing cases of genocide and ethnic cleansing in Abkhazia.

This resolution sharply differs from earlier ones and to a certain extent compensates for Georgia's discontent with the international institutions' attitude to the conflict, Aleksidze said.

"For the first time ever, the document stipulates that Abkhazia's political status may be determined only within Georgia, while any Sukhumi's actions against this principle are unacceptable," he said.

The resolution also says that Abkhaz separatists are to blame for the disruption of peace talks, he remarked.

Georgia: Talks With Abkhazian Delegation Resume in Moscow

LD1507121996 Moscow ITAR-TASS in English 1135 GMT 15 Jul 96

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW, July 15 (Itar-Tass) - A settlement of the Georgian-Abkhazian conflict and relationships between the two sides as well as an extension of the mandate of the collective peacekeeping force in the region are central items on the agenda of consultations, which resumed in the Russian Foreign Ministry here on Monday.

An Abkhazian delegation, led by Anri Dzhergeniya, personal representative of Abkhazian leader Vladislav Ardzinba, has arrived in the Russian capital to participate in the consultations, a spokesman for the Abkhazian mission in Moscow has told Itar-Tass.

Taking part on the meeting on the Russian side, which acts as mediator in the efforts towards a settlement of the Georgian- Abkhazian conflict, is First Deputy Foreign Minister Boris Pastukhov.

It is so far unknown how long the consultations will continue. Informed sources, however, do not rule it out that representatives of the Georgian side will join in the dialogue. Edward Brunner, the U.N. Secretary-General's special envoy, who intends to arrive in Moscow in the coming days, is also to participate in the discussions.

Should the current round of consultations prove successful and real progress is achieved in the negotiating process, a meeting between Vladislav Ardzinba and Georgian Head of State Eduard Shevardnadze may be held shortly, the Abkhazian mission spokesman said.

The need to increase efforts to settle the Georgian-Abkhazian conflict as soon as possible was emphasised in the U.N.Secretary-general's report presented to the U.N. Security Council early in July.

The U.N. chief believes that the negotiating process is developing sluggishly. The pivotal issue in the confrontation — the determination of a political status of Abkhazia — still remains unsettled. "The lack of progress questions the seriousness of the sides' intentions in the search for peace," the report emphasised.

The mandate of the collective peacekeeping force in the zone of the Georgia-Abkhazia conflict expires on July 19. The deadline was set by a decision of the CIS Foreign Minister's Council, who met in Moscow in May this year, in view of the fact that the Russian and Georgian sides at that time failed to reach "understanding on the drafts of a new mandate suggested by them."

Georgia: Concern Voiced Over Possible Flood of Criminals From Russia

LD1207155096 Moscow INTERFAX in English 1528 GMT 12 Jul 96

[FBIS Transcribed Text] TBILISI, July 12 (Interfax) — Georgia is concerned about a possible inflow of criminals from Russia in connection with a stepped up struggle against crime in Russia.

Criminal organizations in Russia include many Georgian citizens and a large part of them may return home, Georgian Interior Ministry spokesman Valerian Gogolashvili told Interfax.

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He said the issue was discussed by the Interior Ministry collegium Friday.

Georgian Interior Minister Kakha Targamadze ordered to work out and implement measures to resist a flood of criminals, in particular to ask Russian law-enforcement agencies for dossiers on each criminal who could return.

It was announced at the collegium that criminals wanted in Georgia are often detained in other CIS countries, in particular in Russia, said Gogolashvili. However, it costs 11 million rubles to bring each criminal to Georgia, while Tbilisi does not have this money. As a result, the criminals are released after the detention term expires.

The collegium decided to ask the Georgian leadership to provide budgetary funds to finance the transportation of criminals to Georgia.

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Estonia

Estonia: Premier Notes Achievements in Baltic Cooperation, Borders

LD1207134896 Tallinn Radio Tallinn Network in Estonian 1200 GMT 12 Jul 96

[FBIS Translated Excerpt] Tiit Vahi and Andris Skele, Estonian and Latvian heads of government, signed an agreement on the sea border between the two states on Toompea in Tallinn today. [passage omitted] Over to Erik Samel.

[Samel] [passage omitted] Having signed the agreement on the sea border, Prime Minister Vahi said that a very important stage ended today and a new important stage is about to begin.

[Begin Vahi recording] Namely, when I became Estonian prime minister about a year ago there were two key issues in the Estonian-Latvian and Estonian-Baltic relations: First, to achieve a full free trade arrangement, and second, to resolve the border issue. Regarding the first item, I was told this was altogether impossible to achieve. Regarding the second, it was said that it would be possible to achieve this by the turn of the century. Now both aims have been achieved. [end recording]

[Samel] Representatives of Estonia, Latvia, and Lithuania signed a resolution of the joint committee on the free trade agreement immediately before the Estonian-Latvian sea border agreement was concluded. According to Vahi, the Baltic countries have by now introduced conditions for free trade while regulation remains quite different in each country. [passage omitted]

Vahi and Skele agreed that the next stage should be to harmonize economic standards, with the ultimate aim being a customs union. Latvian Prime Minister Skele voiced the hope that Lithuania would also be taking part in the talks on the customs union.

[Begin Skele recording in Latvian fading to Estonian translation] This century could end with a Baltic states' customs union, which would already work in practice. [end recording]

[Samel] Possible amendments to the Estonian-Latvian border on dry land were also under discussion at the meeting between Vahi and Skele. It would be possible to give up about 20 hectares of land to Latvia around Moniste while in Valga and Moisakula Estonia would like to gain as much land. Commissions were set up today to resolve this issue. They will meet for the first time at the end of July.

Vahi also discussed Estonian-Russian border talks at the news conference. According to the prime minister, Estonia and Russia have no major differences of opinion in respect of the borderline. After Boris Yeltsin's success at the Russian presidential elections it would be possible in Vahi's opinion to achieve positive results at the Estonian-Russian border talks. Vahi expressed hope that agreements both on technical and political issues might be reached as early as this year.

Estonia: U.S. Special Forces To Train Estonian Troops

WS1507094196 Tallinn ETA in English 1855 GMT 14 Jul 96

["News Release"]

[FBIS Transcribed Text] Tallinn, July 14 (ETA) — Members of the U.S. Special Force arrived in Estonia on Friday and Saturday to conduct a peacekeeping exercise in the Parnu Single Infantry Company.

18 members of the U.S. 10th Special Forces Group give detailed instructions on peacekeeping, human rights, martial law and civil rights in Parnu.

Estonian soldiers are shown the proper way of action in crisis situations, the situations requiring the use of force and the method of communication with civilians and members of the press.

Detailed plans are prepared for action in case of an enemy invasion both at home terrain and in the rear of the enemy. Estonian soldiers learn how to dismantle explosive devices in any situation.

In addition instructions are given for patrolling, convoy movements, communication and guard duty.

The U.S. special forces members are professionals in their field, having conducted courses of the kind also in other countries.

The courses last from July 15 to August 2. Besides the members of the Parnu Single Infantry Company, four members of the Defence League take part in the exercise.

Estonia: Prime Minister, Latvian Counterpart Sign Maritime Border Treaty

WS1207133996 Tallinn BNS in English 1325 GMT 12 Jul 96

[FBIS Transcribed Text] Tallinn, Jul 12, BNS — Estonian Prime Minister Tiit Vahi and his Latvian counterpart, Andris Skele, Friday [12 July] signed in Tallinn a treaty on the two countries' maritime border, putting thus an end to a long-drawn-out border dispute.

The dispute broke out after Estonia's unilateral decision in March 1993 to demarcate its maritime borders.

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The prime ministers reached agreement on a mutually acceptable sea border May 12 in the Latvian town of Rujiena. The agreed line runs between the boundary set by Estonia and the provisional fishing area established by the Latvian government.

Resolving the Estonian-Latvian sea border problem lays the foundation for our future steps, the Latvian premier said at a news conference following the signing ceremony.

He observed that the conclusion of the sea border treaty in its present form originally caused reproaches in both countries, but that people now view it as a positive development.

"Our next joint step will be the establishment of a Baltic customs union," Skele said. "I believe our Lithuanian colleagues are prepared to join us in this."

Lars Grundberg, vice chancellor of the Swedish Foreign Ministry, thanked Estonia and Latvia for the trust they showed by choosing Sweden to mediate their sea border dispute and accepting Sweden's expert assistance.

Grundberg quoted the statements Swedish Prime Minister Goran Persson and Foreign Minister Lena Hjelm-Wallen made Thursday in connection with the conclusion of the border pact saying that it made a significant contribution to strengthening cooperation and stability in the Baltic Sea region.

The Swedish government sent in this connection a letter to the governments of European Union member nations, as the signing of the treaty based on international law fosters the integration of Estonia and Latvia into the EU, Grundberg told reporters.

Vahi said at the news conference that the Baltic states had concluded the first stage of cooperation and were now entering a second stage.

"We have agreed on the conditions of free trade, but the differences between our regulations are still too big and we shall endeavor to harmonize the rules in the next stage," the prime minister said.

A customs union requires closer cooperation in foreign trade policies as well as in the harmonization of regulations, Vahi told BNS after the press conference.

Estonia, which took over the chairmanship of the Baltic Council of Ministers on July 1, regards the establishment of a customs union as one of its priorities, he said.

"The Baltic customs union will be set up along the lines of the European Union customs union," Vahi told BNS. "Estonia will in this process defend its liberal foreign trade principles."

Estonia: Latvian Foreign Minister Views 'Challenge '96' Exercise

WS1507104996 Tallinn BNS in English 1008 GMT 15 Jul 96

[FBIS Transcribed Text] Riga, Jul 15, BNS — The Baltic Challenge '96 exercise will promote drafting of the U.S.-Baltic program on cooperation in the security sphere, Latvian Foreign Minister Valdis Birkavs told BNS on Saturday after visiting the Adazi training ground.

Birkavs considers that, during the exercise, U.S. representatives will see the strong and weak points of the Baltic armed forces and will be able to better draft the security guarantees program for the Baltic states. The United States plans to get the program ready till the fall.

Latvian Defense Minister Andrejs Krastins told reporters on Saturday that the U.S.-Baltic joint trainings have come up to expectations.

He noted that the trainings have not only military but also political significance because they underline the Baltic countries' belonging to the European political structure.

Krastins emphasized the role of the Baltic Challenge in Latvia's further course toward international security structures.

The exercise proves the Latvian National Armed Forces' ability to cooperate with the military units of other Baltic countries and the United States, said the minister.

Krastins said he was satisfied that Latvian soldiers turned out to be physically as well trained as their foreign counterparts. He added that Latvians have learned much new in the course of the trainings.

Participants of the Baltic Challenge trainings concluded practical tasks on Sunday under which U.S. representatives taught skills necessary for peace enforcement operations to the Baltic soldiers.

The training site will be visited Monday by foreign ambassadors and military attaches accredited in Latvia.

Participants of the exercise will have sports and culture events on July 16, and the trainings' closure ceremony will be held on July 17.

The Baltic Challenge '96 trainings are held in the frames of the NATO Partnership for Peace program on July 8-18 in the Adazi training center. The event involves 705 soldiers from the United States, Latvia, Lithuania and Estonia.

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